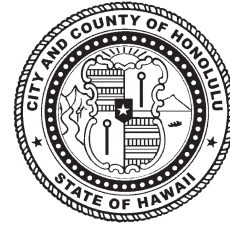


**CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII**

Comprehensive Annual Financial Report



**FISCAL YEAR ENDED
June 30, 2020**

CITY AND COUNTY OF HONOLULU
Honolulu, Hawaii
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020

Prepared by:
DEPARTMENT OF BUDGET AND FISCAL SERVICES
KELLI J. NISHIMURA
DEPUTY DIRECTOR

**CITY AND COUNTY OF HONOLULU
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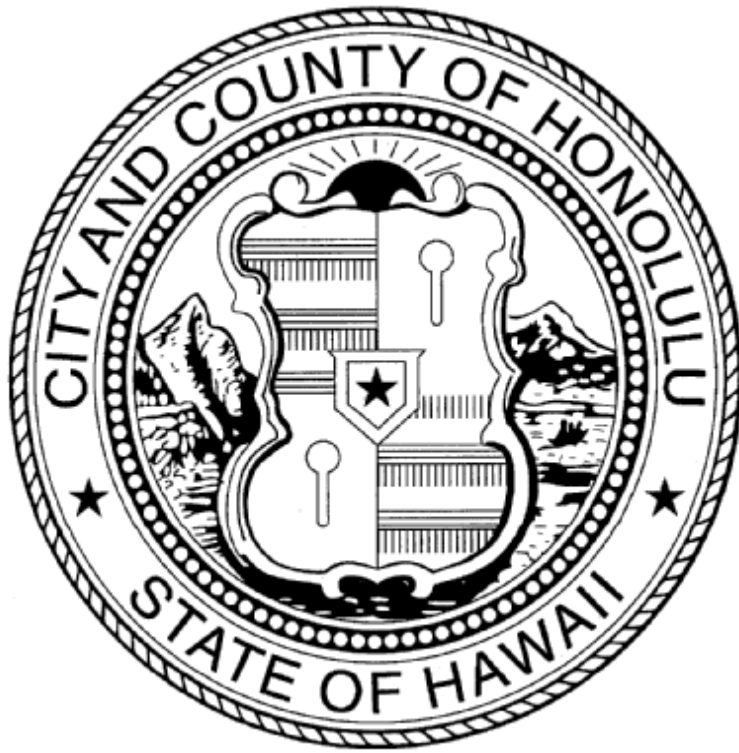
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INTRODUCTORY SECTION

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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RICK BLANGIARDI
MAYOR

ANDREW T. KAWANO
DIRECTOR DESIGNATE

KELLI J. NISHIMURA
DEPUTY DIRECTOR

January 15, 2021

The Honorable Rick Blangiardi, Mayor
The Honorable Tommy Waters,
Chair and Presiding Officer
and Members of the City Council
City and County of Honolulu
530 South King Street
Honolulu, Hawaii 96813

Dear Mayor Blangiardi, Chair Waters and Councilmembers:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for City and County of Honolulu (City) for the fiscal year ended June 30, 2020. 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 novel coronavirus (COVID-19) affected nearly all sectors of the island's economy. Nevertheless, glimmers of hope are on the horizon with the launching of the pre-travel testing program in mid-October and the distribution of the vaccine to the public.

- Tourism, Oahu's primary industry, appears to be on an extended road to recovery. For the eleven months ended November 30, 2020, total visitor days fell 69.2%, and visitor arrivals dropped 74.9% compared to the same period a year ago. For the month of November 2020, the average daily hotel room rate on Oahu dropped 26.7% to \$167.49 while hotel occupancy fell by 59.4% to 22.6% compared to the same month last year. Bright spots for the hotel industry include average length of stay increasing 22.8% for the first eleven months of 2020, and visitor arrivals rising 112.9% from 36,007 in October 2020 to 76,656 a month later.
- The military, Hawaii's second largest economic sector, accounted for 7.7% of the state's gross domestic product for federal fiscal year 2019. Specifically for Oahu, military accounted for nearly 63,000 jobs while defense contract and personnel spending totaled \$6.8 billion.
- The September 2020 contracting revenues increased 6.4% to \$524.3 million, compared to the same month a year ago. In addition, contracting revenues increased 6.0% to \$6.14 billion for the fiscal year ended June 30, 2020, compared to the prior fiscal year. Similarly, construction jobs increased slightly to 27,400 for November 2020 compared to 27,300 for the same month the preceding year. On the other hand, the number of building permits issued decreased 8.0% to 15,527 and the value fell by 22.5% to \$2.51 billion for the year ended December 31 2020, compared to 2019.
- The December 2020 single family home median resale price increased 6.1% to \$870,000, while resale volume jumped 35.9% to 420 when compared with the same month a year ago. Likewise for condominium resales, the median price rose 6.9% to \$455,000 and resale volume increased 20.1% to 514 for December 2020, compared to the same month last year.
- Retail sales decreased 23.9% to \$1.46 billion for the month ended September 30, 2020, compared to the same month in 2019, and declined 3.1% to \$21.81 billion for the fiscal year ended June 30, 2020, compared to fiscal year 2019.
- Non-agricultural jobs totaled 413,900 for November 2020, a decrease of 13.3% from 477,300 non-farm jobs for the same month the preceding year.

- Honolulu had the lowest unemployment rates among Hawaii’s counties in November 2020, with a non-seasonally adjusted unemployment rate of 8.8%, compared to 10.1% statewide, and 6.4% nationally.
- The first round of federal Economic Impact Payments, also known as the coronavirus stimulus checks, was distributed in mid-April 2020, providing relief up to a maximum of \$1,200, or \$2,400 if married filing jointly, plus \$500 for each qualifying child. These payments created a dichotomy in the state’s economic indicators. That is, nominal personal income (i.e., salaries and wages not adjusted for inflation) in Hawaii increased 15.9% for the second quarter of 2020, compared to a 2.8% increase for the second quarter of 2019 and a 2.9% average increase for the calendar year 2019. In contrast, proprietors’ income decreased 11.2% for the second quarter of 2020, compared to an increase of 4.4% for the second quarter of 2019 and a 4.8% average increase for the calendar year 2019. Note that the impact of the second round of Economic Impact Payments (up to \$600 for individuals or \$1,200 for married couples, and up to \$600 for each qualifying child), delivered starting December 29, 2020, is currently unknown.

Sources:

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

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

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

Internal Revenue Service, <https://www.irs.gov>

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

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

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

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

MAJOR INITIATIVES

The City’s priority was to continue providing excellent customer service in areas that are impacting quality of life, on a daily basis, for its residents and visitors. By focusing on improving Honolulu’s livability, committing greater resources to address climate change and sustainability, investing in infrastructure, and combatting homelessness, the foundation was laid for a resilient future well into the 21st century.

The executive operating budget of \$2.83 billion, net of interfund transfers for fiscal year 2020, reflected an increase of 8.4% compared to the prior fiscal year. Funding was provided to maintain and enhance core City services, address escalating nondiscretionary expenses such as employee fringe benefits and debt service, and plan for a unified transit system.

Like the executive operating budget, the City's \$1.17 billion capital improvement budget for fiscal year 2020 emphasized core services. Key areas of focus included refuse and sewer projects, much of which was mandated by the Global Consent Decree, energy conservation, sustainable facilities improvements, improvements to roads, sidewalks and bridges, erosion control, maintenance and improvements of parks and park facilities, continued enhancement of bus and Handi-van services, and integration of bus, rail and transit oriented development.

Sanitation

For solid waste and sewage collection and disposal projects, a total of \$483.2 million was budgeted for fiscal year 2020, representing an increase of 7.2% compared to the prior fiscal year. Major sanitation projects included Sand Island Wastewater Treatment Plant Secondary Treatment (\$127.5 million), Department of Environmental Services Support Facilities at Honouliuli Wastewater Treatment Plant (\$71.8 million), Ala Moana Wastewater Pump Station No. 3 and Sewer Improvements (\$35.0 million), Kailua Wastewater Treatment Plant Upgrade, Phase 2 (\$27.0 million), Solid Waste to Energy Facility (H-POWER) Conversion Technologies (\$18.0 million), Wastewater Treatment Plant, Pump Station and Force Main Projects (\$16.6 million), Sewer Mainline and Lateral Projects (\$15.3 million), Honouliuli Wastewater Treatment Plant Headworks, Pump Station, Energy Savings, Solids Process Upgrades and Miscellaneous Improvements (\$14.0 million), Solid Waste to Energy Facility (H-POWER) Improvements (\$12.7 million), Wastewater Facilities Replacement Reserve (\$12.0 million), Wastewater Equipment (\$11.4 million), and Sand Island Wastewater Treatment Plant Ultraviolet Screening Improvements (\$11.0 million).

General Government

The general government function of the capital improvement budget increased by \$59.8 million to \$196.7 million for fiscal year 2020. The following were a few of the major general government projects: Ala Moana Transit Plaza – Transit Oriented Development (\$45.0 million), Procurement of Major Equipment (\$18.8 million), Kapolei Consolidated Corporation Yard (\$5.6 million), and Municipal Facilities Improvements (\$4.5 million).

Highways and Streets

The \$149.4 million capital improvement budget for highways and streets was 19.1% higher for fiscal year 2020 than the previous fiscal year, essentially due to the \$43.0 million budget for Salt Lake Boulevard Widening compared to the budget of \$110 thousand for the previous fiscal year. Other major highways and streets projects included Rehabilitation of Streets (\$57.7 million), Erosion Control Improvements (\$5.6 million), Intermodal Connectivity Improvements (\$4.0 million), Reconstruction of Sidewalks (\$2.5 million), Bridge Rehabilitation at Various Locations (\$2.5 million), Drainage Improvements at Various Locations (\$2.4 million), and Rehabilitation/Reconstruction of Storm Drains and Catch Basins (\$2.0 million).

Culture-Recreation

For fiscal year 2020, \$114.6 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, an increase of 73.1% over the prior fiscal year. The major culture-recreation projects included Renovate Recreational Facilities (\$12.6 million), Blaisdell Center Redevelopment (\$12.2 million), Preservation and Conservation Lands (\$11.7 million), Department of Enterprise Services Golf Course

National Pollutant Discharge Elimination System Small MS4 Permit Program (\$5.1 million), Community Development Block Grant Program Park Improvements (\$4.5 million), and Ala Moana Regional Park (\$4.0 million).

Human Services

The capital improvement budget for the human services function of \$103.1 million represented a 20.7% increase compared to the last fiscal year. One of the major human services projects was the \$7.3 million Affordable Housing Strategic Development Program.

Transportation

Mass transit appropriations of \$60.8 million for fiscal year 2020, representing a 39.4% increase compared to the previous fiscal year, was attributed primarily to the \$59.8 million Bus and Handi-Van Acquisition Program.

Public Safety

The fiscal year 2020 appropriations for the public safety function decreased to \$59.5 million from \$101.5 million for fiscal year 2019. The major public safety projects included Flood Control Improvements at Various Locations (\$8.3 million), Oahu Traffic Signal Controller Modernization Phase 1 (\$7.9 million), Honolulu Fire Department Equipment Acquisition (\$6.3 million), Traffic Signals at Various Locations (\$5.3 million), Honolulu Police Department Headquarters Improvements (\$5.0 million), Telecommunications Facilities Upgrade (\$4.8 million), Police Stations Buildings Improvements (\$3.0 million), and Fire Station Buildings Improvements (\$3.0 million).

FOR THE FUTURE

The City continues to focus on protecting its critical core services including bus services, roads, rail, sewers, parks, homelessness and climate resilience. Additional priorities include the age-friendly city initiative, becoming a bike-friendly city, complete streets, customer service, energy conservation and transit-oriented development.

The executive operating budget increased slightly from \$2.83 billion, net of interfund transfers for fiscal year 2020, to \$2.92 billion for fiscal year 2021.

Similarly, the City's capital improvement budget increased from \$1.17 billion for fiscal year 2020 to \$1.38 billion for fiscal year 2021. The following is a summary of the government functions and their major capital improvement projects for fiscal year 2021:

Sanitation

For solid waste and sewage collection and disposal projects, a total of \$839.5 million is budgeted for fiscal year 2021, representing an increase of 73.7% compared to the prior fiscal year. The increase is primarily due to the \$568.5 million Sand Island Wastewater Treatment Plant Secondary Treatment project. Other sanitation projects include Department of Environmental Services Support Facilities at Honouliuli Wastewater Treatment Plant (\$71.2 million), Wastewater Equipment (\$16.8 million), Wastewater Treatment Plant, Pump Station and Force Main Projects (\$16.6 million), Sewer Mainline and Lateral Projects (\$15.3 million) and Solid Waste to Energy Facility (H-POWER) Conversion Technologies (\$15.0 million).

Highways and Streets

The \$160.8 million capital improvement budget for highways and streets is 7.6% higher for fiscal year 2021 than the previous fiscal year, essentially due to the following projects: Rehabilitation of Streets (\$54.0 million), Intermodal Connectivity Improvements (\$36.4 million), Salt Lake Boulevard Widening (\$23.6 million), and Drainage Improvements at Various Locations (\$9.2 million).

Culture-Recreation

For fiscal year 2021, \$141.0 million is appropriated in the capital improvement budget for participant, spectator, and other recreation projects, an increase of 23.0% over the prior fiscal year. The major culture-recreation projects include Blaisdell Center Redevelopment (\$43.6 million), Preservation and Conservation Lands (\$18.0 million), Renovate Recreational Facilities (\$12.0 million), and Community Development Block Grant Program Park Improvements (\$6.5 million).

General Government

The general government function of the capital improvement budget decreased by \$111.3 million to \$85.4 million for fiscal year 2021. The following are a few of the major general government projects: Honolulu Authority for Rapid Transit Project Contingency (\$26.0 million), Procurement of Major Equipment (\$25.4 million), Electrification of Transportation Infrastructure (\$11.2 million), and Ala Moana Transit Plaza – Transit Oriented Development (\$5.0 million).

Public Safety

The fiscal year 2021 appropriations for the public safety function increased 21.7% to \$72.4 million. The major public safety projects include Honolulu Police Department Equipment Acquisition (\$9.7 million), Traffic Improvements at Various Locations (\$8.8 million), Oahu Traffic Signal Controller Modernization Phase 1 (\$8.6 million), Honolulu Fire Department Equipment Acquisition (\$7.4 million), and Traffic Signals at Various Locations (\$4.7 million).

Transportation

Mass transit appropriations of \$72.1 million for fiscal year 2021, representing an 18.6% increase compared to the previous fiscal year, may be attributed primarily to the Middle Street Intermodal Transit Center (\$31.4 million) and the Bus and Handi-Van Acquisition Program (\$30.8 million).

Human Services

The capital improvement budget for the human services function of \$11.2 million represents an 89.1% decrease compared to the last fiscal year. One of the major human services projects for fiscal year 2021 is the \$8.1 million Affordable Housing Strategic Development 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. Therefore, the Office of the City Auditor selected the accounting firm of Accuity LLP to perform the audit. The auditor's report is included in the financial section of this report. The Board of Directors of the Board of Water Supply as well as the board of the Honolulu Authority for Rapid Transportation engaged N&K CPAs, Inc. to audit their financial statements while KMH LLP was contracted for the financial audit of Oahu Transit Services, Inc.

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, 2019. The City has received the award for 33 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 21 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, 2020.

Respectfully submitted,



Kelli J. Nishimura, Deputy 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

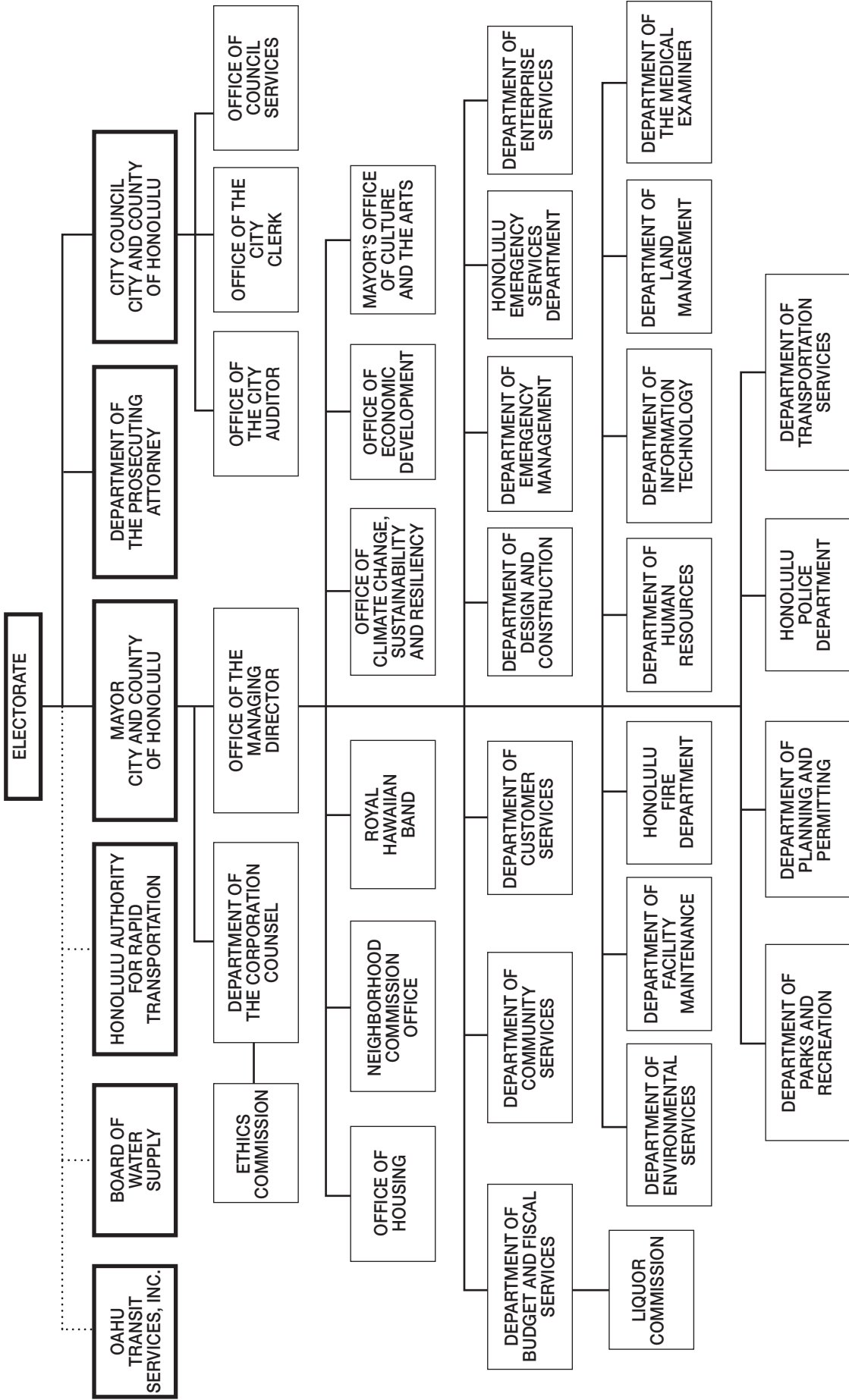
June 30, 2019

Christopher P. Morill

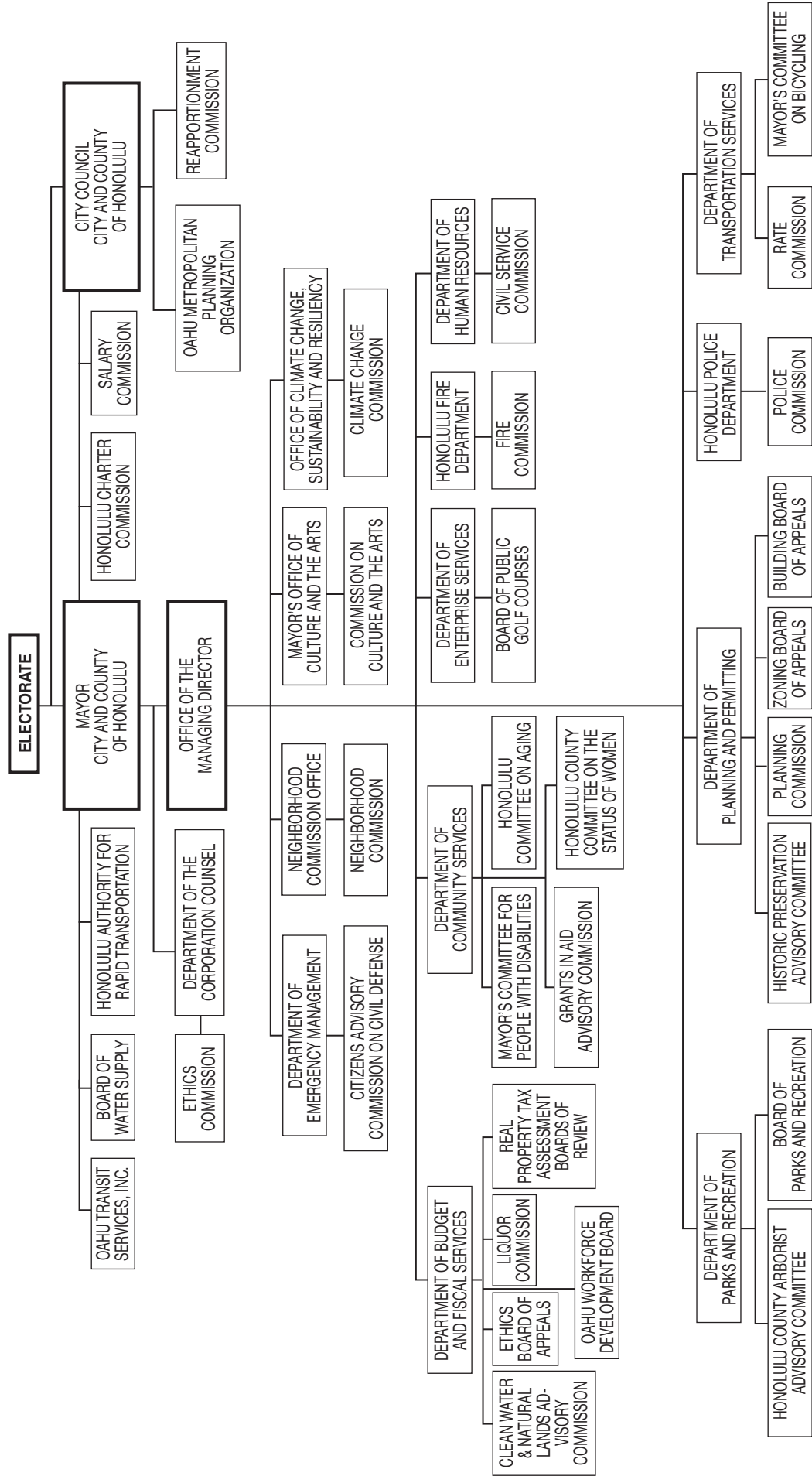
Executive Director/CEO

CITY AND COUNTY OF HONOLULU ORGANIZATIONAL CHART

FISCAL YEAR 2020



CITY AND COUNTY OF HONOLULU FISCAL YEAR 2020 CHART OF BOARDS, COMMISSIONS AND COMMITTEES



**CITY AND COUNTY OF HONOLULU
ELECTED OFFICIALS
June 30, 2020**

EXECUTIVE BRANCH

Mayor. **Kirk Caldwell**
(In the general election on November 3, 2020, Rick Blangiardi was elected Mayor for a four-year term commencing January 2, 2021.)

Prosecuting Attorney. **Keith M. Kaneshiro***
(In the general election on November 3, 2020, Steve Alm was elected Prosecuting Attorney for a four-year term commencing January 2, 2021.)

LEGISLATIVE BRANCH

<u>Council District</u>	<u>Councilmember</u>
First.	Kymberly Marcos Pine
Second.	Heidi Tsuneyoshi
Third.	Ikaika Anderson, Chair (Resigned effective September 9, 2020. Alan Texeira was appointed on September 23, 2020 and will serve the remainder of Councilmember Anderson’s term, which expires on January 2, 2021. Councilmember Ann Kobayashi was voted Council Chair also on September 23, 2020.)
Fourth.	Tommy Waters
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, 2021:

First.	Andria Tupola
Third.	Esther Kiaaina
Fifth.	Calvin K. Y. Say
Seventh.	Radiant Cordero
Ninth.	Augusto E. Tulba

* Currently on leave with Dwight Nadamoto serving as Acting Prosecuting Attorney

EXECUTIVE BRANCH



Kirk Caldwell
Mayor

LEGISLATIVE BRANCH

CITY COUNCIL



Kymberly Marcos Pine
Councilmember, District I



Heidi Tsuneyoshi
Councilmember, District II



Ikaika Anderson
Chair, District III



Tommy Waters
Councilmember, District IV



Ann H. Kobayashi
Councilmember, District V



Carol Fukunaga
Councilmember, District VI



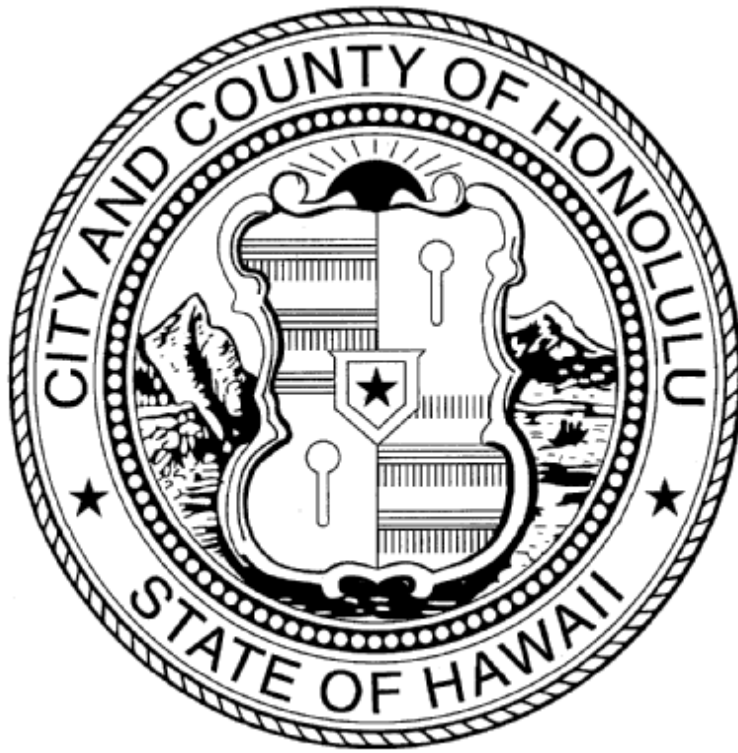
Joey Manahan
Councilmember, District VII



Brandon J.C. Elefante
Councilmember, District VIII



Ron Menor
Councilmember, District IX



FINANCIAL SECTION

Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2020, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Water Supply, Honolulu Authority for Rapid Transportation, and Oahu Transit Services, Inc. which are discretely presented component units, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Water Supply, Honolulu Authority for Rapid Transportation, and Oahu Transit Services, Inc. is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

999 BISHOP STREET, SUITE 1900

HONOLULU, HAWAII 96813

TELEPHONE: 808 531 3400 FACSIMILE: 808 531 3433

Acuity LLP is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

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 reports 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, as well as each fiduciary fund type of the City, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 19–36), budgetary comparison information (pages 125–131), schedule of proportionate share of the net pension liability (page 132), schedule of contributions (page 133), schedule of changes in net OPEB liability and related ratios (page 135), and schedule of contributions (page 136) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Accuity LLP

Honolulu, Hawaii
January 15, 2021

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CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020

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, 2020. 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 2020

- Revenues from governmental activities totaled approximately \$2.50 billion for fiscal year 2020 compared to \$2.01 billion for the prior fiscal year. Expenses before transfers amounted to \$1.97 billion for the current fiscal year compared to \$1.83 billion for the prior fiscal year. The governmental activities are summarized on page 24, discussed on pages 25 to 27, and reported on pages 38 and 39.
- The net position for the City's business-type activities increased by \$180.9 million for the current fiscal year compared to \$211.0 million for fiscal year 2019 despite an \$11.1 million increase in operating expenses. The business-type activities are summarized on page 24, discussed on pages 28 and 29, and reported on pages 37 to 39.
- The combined ending governmental fund balances as of June 30, 2020 increased by \$336.2 million (as summarized on page 30) to \$1.66 billion (as reported on pages 41 and 42).
- Net capital assets for the governmental activities rose from \$2.84 billion at the end of the prior fiscal year to \$3.18 billion at June 30, 2020. Likewise, net capital assets for the business-type activities increased from \$4.09 billion at the close of fiscal year 2019 to \$4.34 billion at June 30, 2020. Capital assets are discussed on pages 32 to 34, and reported on pages 80 to 82 in the Notes to Financial Statements.
- The debt applicable to the legal debt margin totaled \$3.21 billion, representing less than 10% of the City's \$36.34 billion statutory debt limit. Additional information on the City's long-term debt may be found on pages 34 and 35, on pages 84 to 92 in the Notes to Financial Statements, and on pages 274 to 280 in the Statistical Section.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020

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 required and 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-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, 2020

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, 2020, 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 three other major funds are the Highway Fund, the General Obligation Bond and Interest Redemption Fund, and the Federal Grants Fund. Information for the six legally separated funds, combined as the General Fund, along with the 23 nonmajor funds are presented in aggregate on the Balance Sheet, and the Statement of Revenues, Expenditures and Changes in Fund Balances for the governmental funds. Individual fund data is provided for each of the governmental funds under Other Supplementary Information of this report.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

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 45 to 48. In addition, the proprietary funds are classified as business-type activities in the government-wide financial statements on pages 37 to 39.

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 49 and 50 while the agency funds are reported on pages 152 and 153.

Notes to the Financial Statements

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

Other Information

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

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

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Excluding its component units, the City's net position improved to a balance of \$350.7 million for the fiscal year ended June 30, 2020, primarily due to the transfer of various Kakaako Properties from the State of Hawaii as reported on page 33 and improved real property tax collections, in contrast to a negative balance of \$76.3 million for the last fiscal year end.

Net investment in capital assets (i.e., land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure) represents the largest portion of the primary government's net position, amounting to a positive balance of \$2.13 billion, an increase of \$563.0 million compared to last fiscal year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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, 2020, net position restricted for debt service increased for the governmental activities from \$640.7 million at June 30, 2019 to \$799.8 million for the current fiscal year, primarily due to additional debt issued for the rail transit project which HART is required to reimburse to the City as the bonds become due. Conversely, net position restricted for debt service decreased by \$78.1 million to \$181.9 million for the business-type activities as of June 30, 2020 due to the release of common reserve funds to refund wastewater system revenue bonds.

The governmental activities reported a negative unrestricted net position of \$3.68 billion as of June 30, 2020 compared to a negative of \$3.42 billion at the prior fiscal year end. On the other hand, the unrestricted net position of the business-type activities improved to \$915.3 million at the current fiscal year end compared to \$869.2 million for the prior fiscal year end.

The following is a summary of the Statements of Net Position as of June 30, 2020 and 2019 (amounts in millions):

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 2,223.2	\$ 1,530.1	\$ 1,601.0	\$ 1,519.0	\$ 3,824.2	\$ 3,049.1
Restricted assets	-	41.9	404.4	352.7	404.4	394.6
Capital assets, net of accumulated depreciation	3,182.7	2,842.2	4,344.6	4,093.2	7,527.3	6,935.4
Total assets	5,405.9	4,414.2	6,350.0	5,964.9	11,755.9	10,379.1
Deferred outflows of resources	821.3	815.4	169.7	160.5	991.0	975.9
Noncurrent liabilities	7,938.1	7,479.3	3,701.6	3,506.5	11,639.7	10,985.8
Other liabilities	174.3	179.2	171.7	148.9	346.0	328.1
Total liabilities	8,112.4	7,658.5	3,873.3	3,655.4	11,985.7	11,313.9
Deferred inflows of resources	389.4	91.8	21.1	25.6	410.5	117.4
Net position:						
Net investment in capital assets	606.5	256.4	1,528.1	1,315.2	2,134.6	1,571.6
Restricted	799.8	640.7	181.9	260.0	981.7	900.7
Unrestricted	(3,680.9)	(3,417.8)	915.3	869.2	(2,765.6)	(2,548.6)
Total net position	\$ (2,274.6)	\$ (2,520.7)	\$ 2,625.3	\$ 2,444.4	\$ 350.7	\$ (76.3)

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

The following is a summary of the Statements of Activities for fiscal years 2020 and 2019 (amounts in millions):

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 366.4	\$ 352.7	\$ 655.4	\$ 679.0	\$ 1,021.8	\$ 1,031.7
Operating grants and contributions	193.7	134.4	23.4	21.0	217.1	155.4
Capital grants and contributions	305.9	19.3	15.8	16.1	321.7	35.4
General revenues:						
Property taxes	1,429.3	1,288.7	-	-	1,429.3	1,288.7
Other taxes	139.2	138.9	-	-	139.2	138.9
Other	64.1	74.1	26.5	36.8	90.6	110.9
Total revenues	<u>2,498.6</u>	<u>2,008.1</u>	<u>721.1</u>	<u>752.9</u>	<u>3,219.7</u>	<u>2,761.0</u>
Expenses						
General government	872.7	774.5	-	-	872.7	774.5
Public safety	547.9	524.3	-	-	547.9	524.3
Highways and streets	113.4	98.4	-	-	113.4	98.4
Sanitation	0.4	0.3	-	-	0.4	0.3
Human services	104.2	116.4	-	-	104.2	116.4
Culture and recreation	154.4	134.8	-	-	154.4	134.8
Utilities or other enterprises	60.1	79.8	-	-	60.1	79.8
Interest	112.6	102.2	-	-	112.6	102.2
Housing	-	-	11.8	12.3	11.8	12.3
Sewer	-	-	290.6	300.3	290.6	300.3
Solid waste	-	-	223.5	215.4	223.5	215.4
Public transportation	-	-	301.1	287.9	301.1	287.9
Total expenses	<u>1,965.7</u>	<u>1,830.7</u>	<u>827.0</u>	<u>815.9</u>	<u>2,792.7</u>	<u>2,646.6</u>
Increase (decrease) before transfers	532.9	177.4	(105.9)	(63.0)	427.0	114.4
Transfers	<u>(286.8)</u>	<u>(274.0)</u>	<u>286.8</u>	<u>274.0</u>	<u>-</u>	<u>-</u>
Change in net position	246.1	(96.6)	180.9	211.0	427.0	114.4
Net position - beginning	<u>(2,520.7)</u>	<u>(2,424.1)</u>	<u>2,444.4</u>	<u>2,233.4</u>	<u>(76.3)</u>	<u>(190.7)</u>
Net position - ending	<u>\$ (2,274.6)</u>	<u>\$ (2,520.7)</u>	<u>\$ 2,625.3</u>	<u>\$ 2,444.4</u>	<u>\$ 350.7</u>	<u>\$ (76.3)</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

Total revenues for the primary government increased 16.7% from \$2.76 billion for fiscal year 2019 to \$3.22 billion for the current fiscal year. The increase can be credited primarily to improved real property tax revenues, and secondarily to the Coronavirus Aid, Relief, and Economic Security (CARES) Act funds.

Expenses for the primary government totaled \$2.79 billion for fiscal year 2020 of which \$1.97 billion applied to governmental activities and \$827.0 million related to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$138.2 million for the governmental activities and \$119.8 million for business-type activities for fiscal year 2020 as disclosed on page 82. For the 2019 fiscal year, expenses for the primary government totaled \$2.65 billion; \$1.83 billion pertained to governmental activities and \$815.9 million to business-type activities.

Statement of Activities

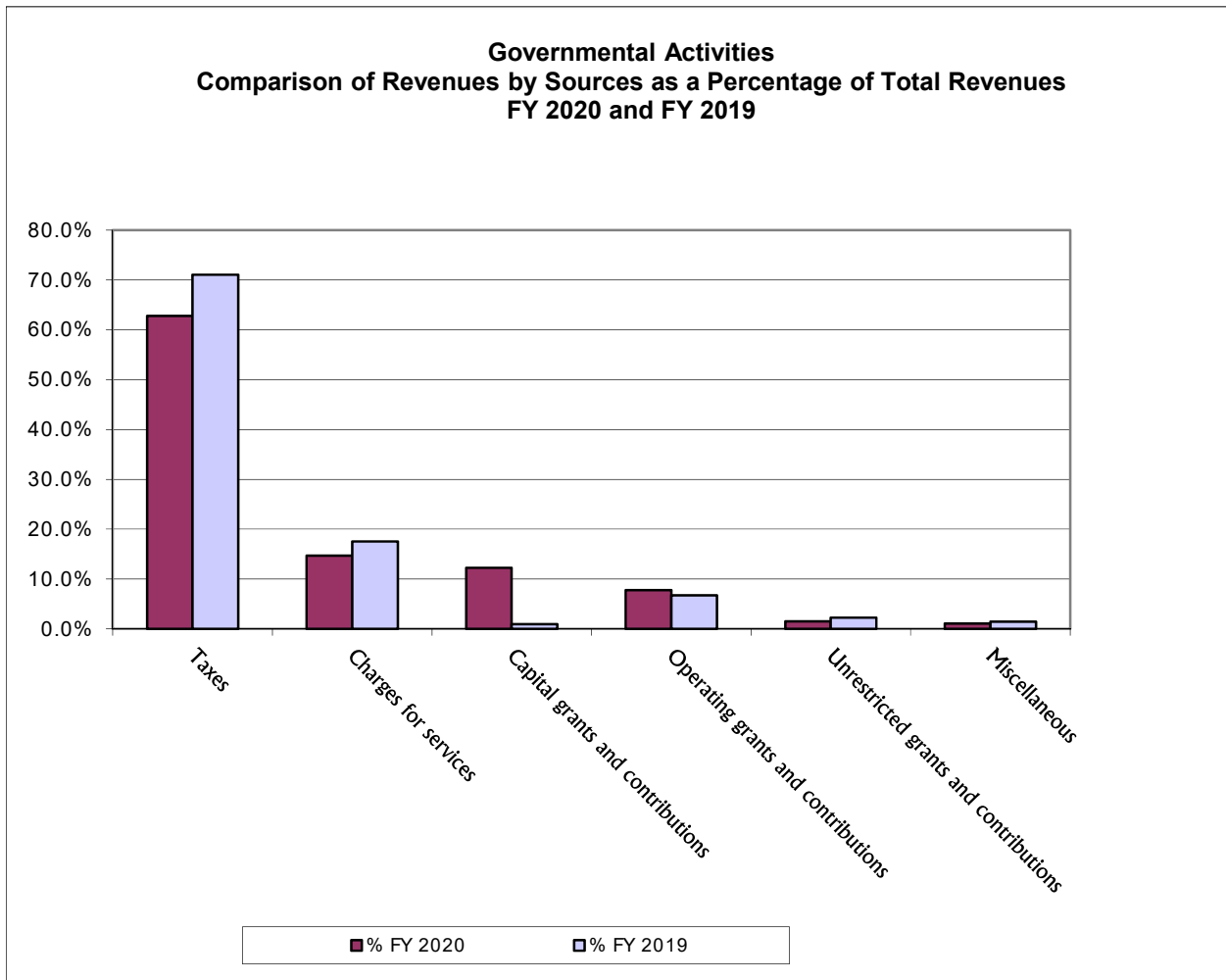
As noted earlier, the Statement of Activities presents how the City's net position changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some 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 for the City's governmental activities were factors contributing to the negative net position of \$2.27 billion as of June 30, 2020 and \$2.52 billion at the prior fiscal year end. Further declines were averted by increased real property tax revenues arising from higher valuations, new housing inventory, reviews of exemption compliance, and improved effectiveness in collecting delinquent taxes.

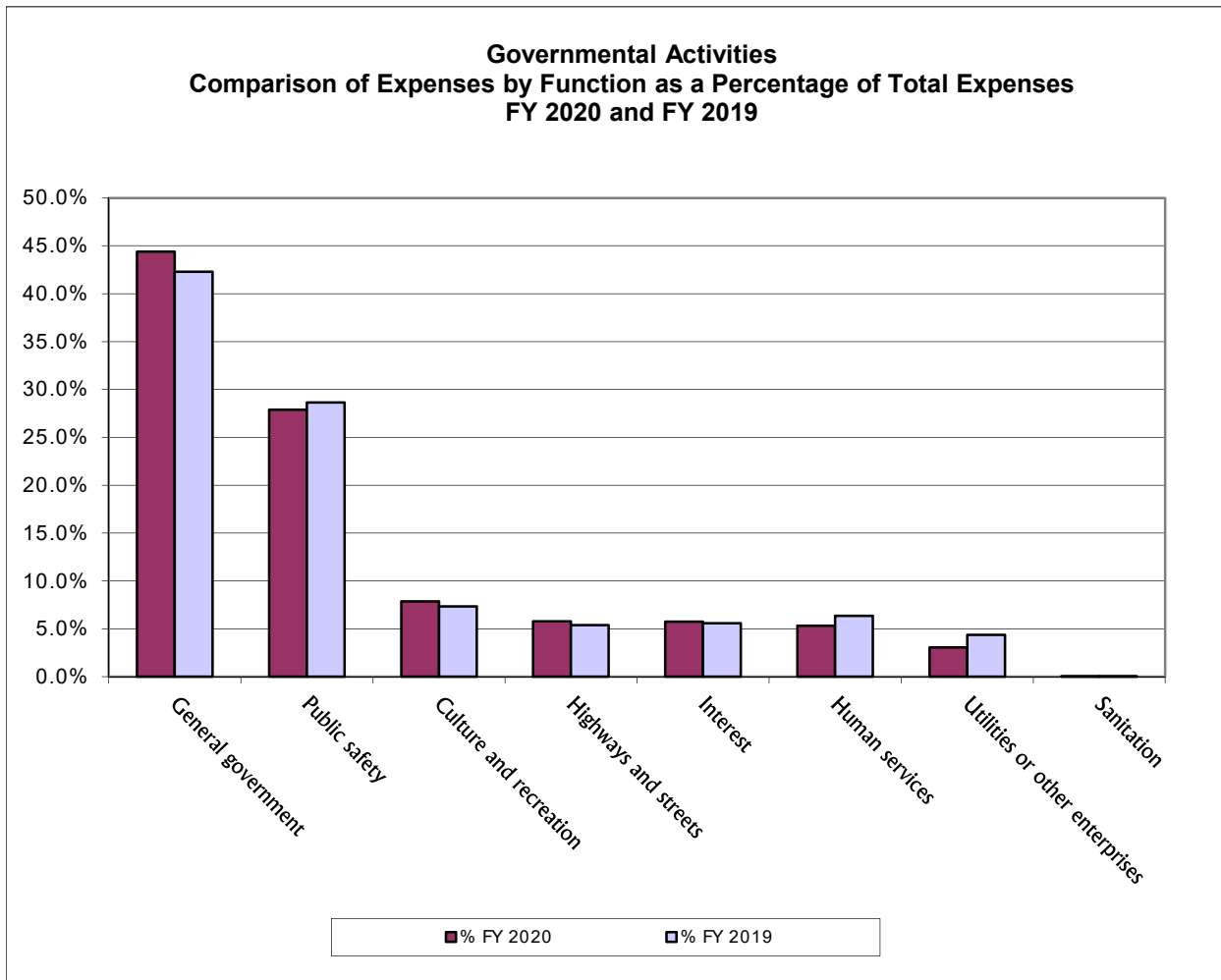
**CITY AND COUNTY OF HONOLULU
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

Revenues. The following chart presents a Comparison of Revenues by Sources as a Percentage of Total Revenues. Although revenues from governmental activities improved \$490.5 million for fiscal year 2020, taxes in proportion to total revenues for fiscal year 2020 decreased compared to the preceding fiscal year. Specifically, taxes (i.e., real property, public service company, fuel, and public utility franchise), represented 62.8% of the revenues from governmental activities and totaled \$1.57 billion for fiscal year 2020, in comparison to 71.1% and \$1.43 billion for the prior fiscal year. Charges for services of \$366.4 million represented 14.7% of the revenues from governmental activities for fiscal year 2020, compared to 17.6% of total revenues for the previous fiscal year. Due largely to the transfer of various Kakaako properties from the State of Hawaii, capital grants and contributions increased to \$305.9 million from 0.9% of total revenues for the prior fiscal year to 12.2% for the 2020 fiscal year. Representing 7.8% of the revenues from governmental activities, operating grants and contributions increased \$59.3 million to \$193.7 million for fiscal year 2020. Unrestricted grants and contributions amounted to \$37.9 million and \$45.5 million for fiscal years 2020 and 2019, respectively. As a result of lower interest rates, miscellaneous revenues, comprised mostly of investment earnings, declined from 1.4% of total revenues for fiscal year 2019 to 1.0% for the 2020 fiscal year.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

Expenses. The exhibit below displays the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities for fiscal year 2020 compared to the prior fiscal year. Compared to total expenses, general government expenses increased from 42.3% (\$774.5 million) for fiscal year 2019 to 44.4% (\$872.7 million) for the current fiscal year due to a variety of factors including an increase in pension costs. Although total public safety expenses decreased from 28.6% for fiscal year 2019 to 27.9% for fiscal year 2020, total public safety expenses increased to \$547.9 million, up \$23.6 million from the previous fiscal year. Culture and recreation expenses, representing 7.4% of total expenses for the previous fiscal year, increased to 7.9% (\$154.4 million) for the current fiscal year. Similarly, highways and streets expenses increased from 5.4% (\$98.4 million) last fiscal year to 5.8% (\$113.4 million) this fiscal year primarily due to emergency culvert and road repairs. In addition, interest expense increased slightly to 5.7% (\$112.6 million) for fiscal year 2020 compared to 5.6% of total expenses for fiscal year 2019. On the other hand, total human services expenses decreased from 6.4% (\$116.4 million) for the prior fiscal year to 5.3% (\$104.2 million) for fiscal year 2020. Likewise, total expenses for utilities or other enterprises (transportation) decreased from 4.4% (\$79.8 million) for the preceding fiscal year to 3.1% (\$60.1 million) for the current fiscal year.

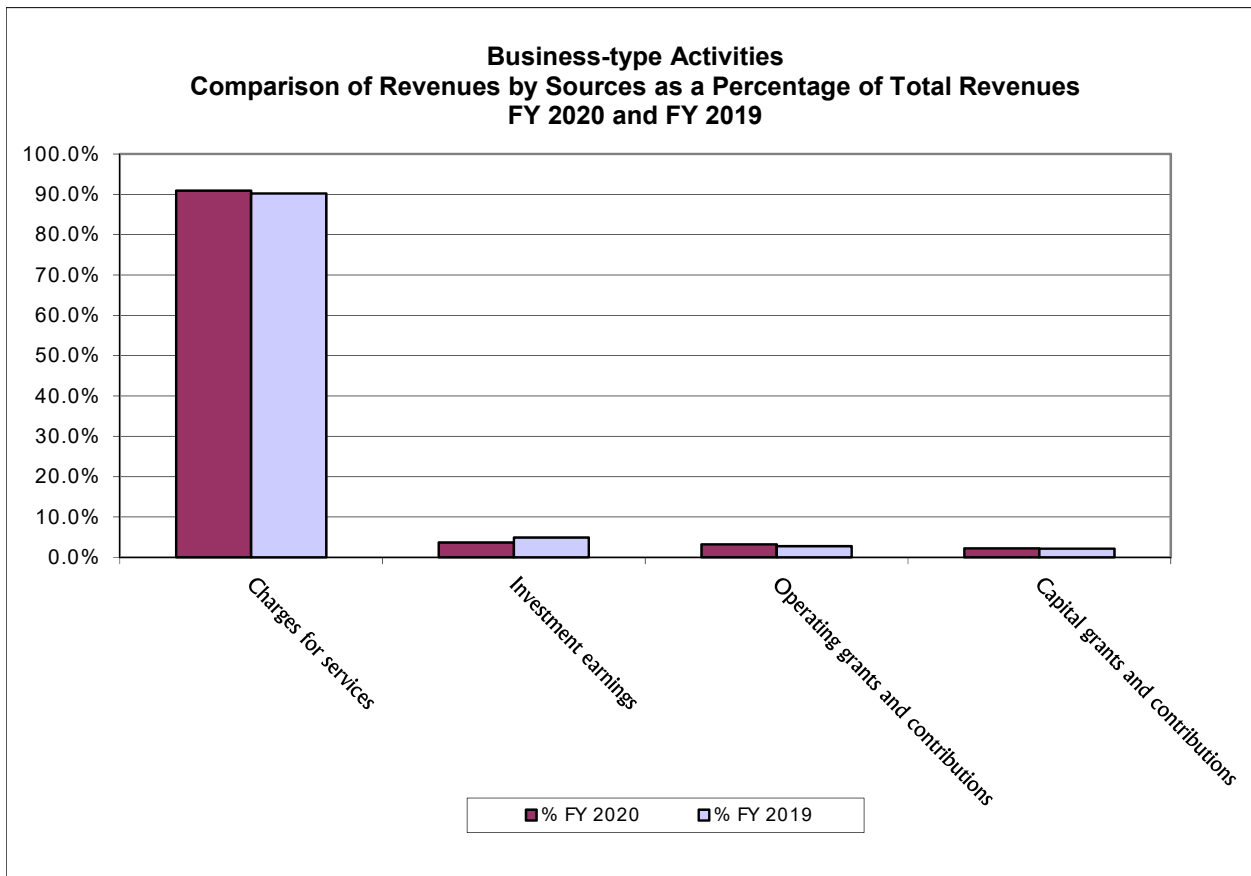


**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

Business-type Activities

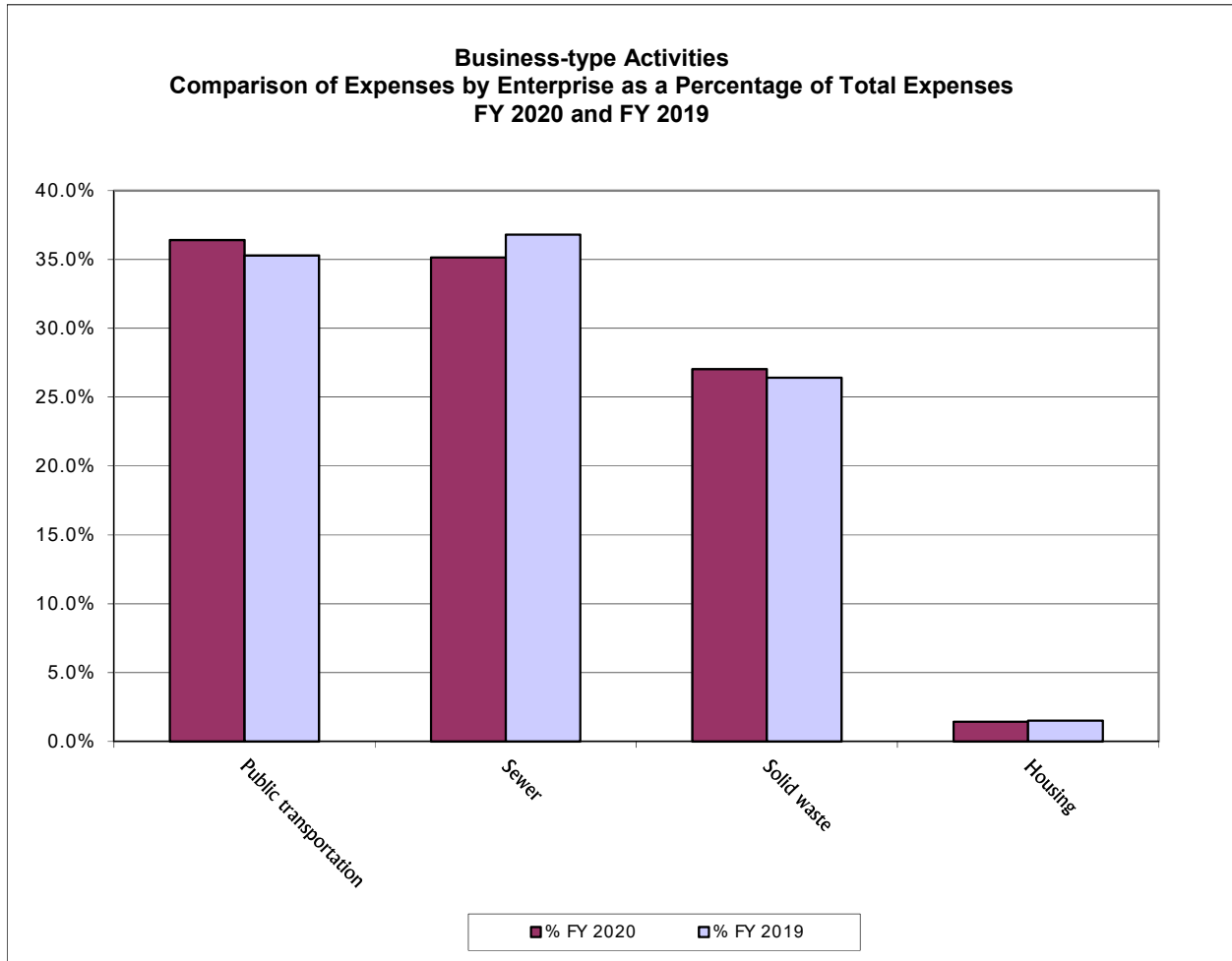
The change in net position of the City's business-type activities increased by \$180.9 million for fiscal year 2020, compared to \$211.0 million for fiscal year 2019.

Revenues. The exhibit below displays the Comparison of Revenues by Sources as a Percentage of Total Revenues for the business-type activities. Although the exhibit indicates that charges for services increased slightly from 90.2% of total revenues for fiscal year 2019 to 90.9% for the current fiscal year, total charges for services actually decreased by \$23.6 million to \$655.4 million for fiscal year 2020. Charges for services for fiscal year 2020 can be disaggregated as follows: Housing (\$13.0 million), sewer (\$455.5 million), solid waste (\$140.1 million), and public transportation (\$46.8 million). The pandemic affected charges for services with reduced bus fare collections arising from lower bus ridership levels, but this decrease was offset by higher housing rental charges and occupancy. The coronavirus also impacted investment earnings, declining from \$36.8 million for the prior fiscal year to \$26.5 million for fiscal year 2020 with the Federal Reserve Board cutting its benchmark interest rates from 1.00%-1.25% to 0.00%-0.25% in mid-March 2020.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

Expenses. From the Comparison of Expenses by Enterprise as a Percentage of Total Expenses shown in the exhibit below, expenses for the business-type activities remained relatively stable for fiscal years 2020 and 2019. Public transportation used the most resources (36.4%), followed closely by sewer (35.2%). Solid waste accounted for 27.0% of total expenses, followed by housing (1.4%). The breakdown for the prior fiscal year is as follows: Public transportation (35.3%), sewer (36.8%), solid waste (26.4%), and housing (1.5%).



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

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 2020 fiscal year. Total fund balances increased by \$336.2 million for fiscal year 2020 in comparison to \$315.1 million for the prior fiscal year. The increase for the current fiscal year is due to a variety of factors including improved real property tax collections, and general obligation bonds issued on behalf of HART, reflected as an advance to component unit on the Balance Sheet for the Governmental Funds.

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

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Federal Grants Fund	All Other Funds	Totals	
						2020	2019
Revenues:							
Taxes	\$ 1,447.9	\$ 96.1	\$ -	\$ -	\$ 21.1	\$ 1,565.1	\$ 1,428.2
Other	168.7	190.9	34.6	104.0	148.1	646.3	585.7
Total Revenues	1,616.6	287.0	34.6	104.0	169.2	2,211.4	2,013.9
Expenditures	1,132.1	126.8	309.1	82.4	400.0	2,050.4	1,984.3
Subtotal	484.5	160.2	(274.5)	21.6	(230.8)	161.0	29.6
Transfers and Other	(399.2)	(165.5)	433.5	-	306.4	175.2	285.5
Changes in Fund Balances	\$ 85.3	\$ (5.3)	\$ 159.0	\$ 21.6	\$ 75.6	\$ 336.2	\$ 315.1

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 43.

General Fund. The General Fund is the main operating fund of the City. Its combined total fund balance increased \$85.3 million to \$510.9 million for the current fiscal year.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020

Real property tax, the primary General Fund revenue source rose \$135.6 million, representing a 10.7% increase over the previous year, primarily due to higher valuations, new housing inventory, reviews of exemption compliance, and improved effectiveness in collecting delinquent taxes.

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. Despite higher revenues from motor vehicle weight taxes and public utility franchise taxes, and a lower subsidy to the Bus Transportation Fund than the last fiscal year, restricted fund balance declined from \$42.2 million for the 2019 fiscal year to \$36.8 million at the close of the current fiscal year. Although several factors affected the decline in the restricted fund balance, the most notable was the \$4.1 million decrease in fuel tax collections compared to the prior fiscal year.

General Obligation Bond and Interest Redemption Fund. The General Obligation Bond and Interest Redemption Fund accounts for principal and interest payments on general obligation serial bonds that have been issued by the City, State of Hawaii Revolving Fund notes payable due to federal and state government agencies, and general obligation commercial paper notes. Fund balance increased from \$640.6 million for fiscal year 2019 to \$799.6 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 42, and disclosed on pages 84 to 92.

Federal Grants Fund. For the first time, the Federal Grants Fund is reported as a major fund due to the receipt of CARES Act funds of \$387.2 million during fiscal year 2020 of which \$325.2 million was included as deferred inflow of resources on page 41.

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, 2020 increased by \$75.6 million, compared to an improvement of \$102.7 million for the preceding fiscal year. One of the primary factors for less of an improvement in total fund balance for the nonmajor governmental funds was the reclassification of the Federal Grants Fund from the nonmajor to major fund category in the current fiscal year.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

GENERAL FUND BUDGETARY HIGHLIGHTS

The following is a summary in millions of the most noteworthy fiscal year 2020 general fund revenue variances between the budgetary estimates and the actual amounts earned:

**General Fund Revenue Variances
(Amounts in Millions)**

Revenue Sources	Revenue Budget	Actual Revenues	Variances
Real Property Tax	\$ 1,386.7	\$ 1,405.4	1.3%
Public Service Company Tax	38.0	42.5	11.8%
Building Permits	18.0	19.2	6.7%
Motor Vehicle Registration Annual Fee	14.9	13.8	(7.4)%
Transient Accommodation Tax	45.4	37.9	(16.5)%
Emergency Ambulance Services	45.4	42.2	(7.0)%

The most significant variance above pertains to the lesser amount received than budgeted for transient accommodation tax (TAT) which is also known as the hotel room tax. This variance can be attributed entirely to the pandemic's effect on tourism. That is, the City earned \$37.9 million from the TAT, representing \$7.5 million less than the amount budgeted and limited by State statute.

There was no increase from the total original appropriated budget (including transfers) to the final amended expenditure 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 9.4% (\$127.5 million) for fiscal year 2020. The net change in fund balance for the General Fund reflected a favorable variance of \$146.8 million for fiscal year 2020.

**CAPITAL ASSET AND DEBT ADMINISTRATION
Capital Assets**

The City's investment in capital assets, net of accumulated depreciation, totaled \$7.53 billion for the primary government of which \$3.18 billion pertained to governmental activities as of June 30, 2020. This investment in capital assets includes land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020

Capital asset additions can be attributed primarily to costs incurred for various ongoing capital improvement projects during fiscal year 2020. Major projects for the governmental activities include Rehabilitation of Streets (\$16.8 million), Improvements at Various Parks (\$14.1 million), Renovation of Housing Properties (\$7.8 million), Public Safety Radio System Replacement (\$2.4 million), and Rehabilitation of Various Bridges (\$1.9 million). For the business-type activities, the major projects include Honouliuli Wastewater Treatment Plant Secondary Treatment Phase 1B - Secondary Compliance Facility (\$57.9 million), Awa Street Wastewater Improvements - Waiakamilo Trunk Sewer (\$32.8 million), Dowsett Highlands Relief Sewer - Pali Highway (\$32.1 million), Honouliuli Wastewater Treatment Plant Secondary Treatment Phase 1A - Sludge Drying (\$14.1 million), and Ala Moana Wastewater Pump Station Upgrade (\$12.1 million).

Major completed projects during fiscal year 2020 for the governmental activities include Transfer of Various Kakaako Properties from the State (\$300.1 million), Rehabilitation of Streets at Various Locations (\$74.8 million), Construction of the Alapai Joint Traffic Management Center (\$65.5 million), Acquisition of Various Housing Properties (\$18.5 million), Acquisition of 1423 Kapiolani Boulevard - Ala Moana Transit Plaza (\$13.0 million), and Improvement at Various Parks (\$10.3 million). For the business-type activities, the major completed projects include Sand Island Wastewater Treatment Plant, Primary Expansion, Phase 2 - Reconstruction (\$88.6 million), Kahanahou Wastewater Pump Station Upgrade and Sewer Improvement – Force Main and Gravity (\$16.9 million), Wastewater Pump Station Electrical and Supervisory Control and Data Acquisition Improvements (\$14.1 million), Sand Island Wastewater Treatment Plant Ultraviolet Disinfection and Effluent Pump Station Odor Control (\$12.2 million), Kailua Wastewater Treatment Plant Odor Control Improvements - Phase 2 (\$12.0 million), Design, Build, Operate and Maintain a Solar Photo-Voltaic Panel System (\$11.8 million), and Acquisition of Various Refuse Collection Vehicles (\$11.5 million).

Additional information on the City's capital assets may be found in the Notes to Financial Statements on pages 80 to 82.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

The following is a summary in millions of the capital assets for the primary government as of June 30, 2020 in comparison to the previous year end:

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Non-depreciable assets:						
Land	\$ 893.4	\$ 568.1	\$ 162.4	\$ 162.4	\$ 1,055.8	\$ 730.5
Construction work in progress	220.6	331.2	632.5	505.4	853.1	836.6
Other capital assets:						
Buildings and improvements	1,748.4	1,616.2	2,164.1	2,133.5	3,912.5	3,749.7
Equipment and machinery	479.9	452.1	782.8	740.8	1,262.7	1,192.9
Infrastructure	2,044.1	1,947.6	2,329.2	2,163.4	4,373.3	4,111.0
Less: accumulated depreciation	<u>(2,203.7)</u>	<u>(2,073.0)</u>	<u>(1,726.4)</u>	<u>(1,612.3)</u>	<u>(3,930.1)</u>	<u>(3,685.3)</u>
Net	<u>\$ 3,182.7</u>	<u>\$ 2,842.2</u>	<u>\$ 4,344.6</u>	<u>\$ 4,093.2</u>	<u>\$ 7,527.3</u>	<u>\$ 6,935.4</u>

Long-Term Debt

At June 30, 2020, the long-term debt for the primary government amounted to \$6.22 billion, consisting mainly of total bonded debt (\$5.93 billion) and State of Hawaii Revolving Fund notes payable due to federal and state government agencies (\$296.4 million). The total bonded debt is comprised of \$3.73 billion in general obligation bonds, and \$2.20 billion in revenue bonds secured by wastewater system revenue sources.

The following is a summary of the bonded debt activities during fiscal year 2020:

- On August 21, 2019, \$549.0 million of general obligation bonds were issued. Series 2019C was issued to finance capital costs of the City and for other public purposes. Series 2019D was issued to purchase equipment. Series 2019E was issued to finance the capital costs of the rail transit project being constructed by HART. Series 2019F, G, H, I and J were issued to current and advance refund certain outstanding general obligation bonds Series 2009F, 2011B and Series 2012D.
- On March 5, 2020, \$295.3 million of general obligation bonds were issued. Series 2020A (Honolulu Rail Transit Project) was issued to pay the capital costs of the rail transit project being constructed by HART. Series 2020B was issued to refund certain outstanding general obligation bonds Series 2017H.
- On November 6, 2019, \$496.9 million of wastewater system revenue bonds were issued. Senior Series 2019A was issued to fund the cost of certain additions and

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

improvements to the wastewater system owned by the City. Senior Series 2019B, 2019C, Junior Series 2019A and 2019B were issued to advance refund portions of outstanding wastewater revenue bonds Senior Series 2009A, 2009C, 2010B, 2012B, 2015C, and Junior Series 2009A, 2010A, and 2015B.

The general obligation bonds Series 2019C, 2019D, 2019E, 2019F, 2019G, 2019H, 2019I and 2019J have been assigned ratings of "AA+" by Fitch Ratings and "Aa1" by Moody's Investors Service, respectively.

The general obligation bonds, Series 2020A and 2020B have been assigned ratings of "AA+" by Fitch ratings and "Aa1" by Moody's Investors Service, respectively.

The wastewater system revenue bonds Senior Series 2019A, 2019B and 2019C have been assigned ratings of "AA" by Fitch Ratings and "Aa2" by Moody's Investors Service, respectively. The wastewater system revenue bonds Junior Series 2019A and 2019B have been assigned ratings of "AA-" by Fitch Ratings and "Aa3" by Moody's Investors Service, respectively.

The Hawaii Revised Statutes limit the amount of general obligation debt the City may issue to 15.0% of its net assessed valuation. The statutory debt limit for fiscal year 2020 was \$36.34 billion. The City's outstanding debt applicable to the legal debt margin totaled \$3.21 billion as of June 30, 2020, well below the statutory debt limitation.

Additional information on the City's long term debt may be found on pages 84 to 92 under note 8 titled Long-Term Liabilities, and on page 124 under note 17 titled Subsequent Events in the Notes to Financial Statements section.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The military, Hawaii's second major industry, as well as construction and home resales, have not been significantly impacted by the pandemic thus far. However, the island's main economic sector, tourism, has been hard hit with full economic recovery not expected for several years.

The assessed valuation of real property (including new added property inventory) on Oahu increased \$374.9 million from the current fiscal year to \$242.63 billion for fiscal year 2021. The \$1.42 billion calculated amount to be raised by taxation for fiscal year 2021, represents a slight decrease compared to the actual amount earned of \$1.43 billion for fiscal year 2020.

The operating budget net of inter-fund transfers increased to \$2.92 billion for fiscal year 2021 compared to \$2.83 billion for 2020, primarily due to nondiscretionary costs such as retirement contributions for employees, healthcare benefits and other postemployment benefits, and negotiated pay raises.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2020**

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The World Health Organization (WHO) and the U.S. Secretary of Health and Human Services declared the outbreak of the coronavirus (COVID-19) a public health emergency on January 30, 2020 and January 31, 2020, respectively. On March 4, 2020, the Governor of the State of Hawaii and the City's Mayor declared the existence of a state of emergency and invoked their authority under the Hawaii Emergency Management Act, HRS Chapter 127A. Soon after on March 11, 2020, the WHO designated COVID-19 as a pandemic. In response two days later, the President declared a national emergency. Both the Governor and Mayor issued additional supplemental proclamations and emergency orders with such control measures as the mandatory quarantine for incoming travelers, later followed by the implementation of the pre-travel COVID-19 testing program on October 15, 2020, closure of certain businesses deemed to be non-essential followed by phased reopenings, stay at home/work from home orders, limitations on social gatherings, essential and social distancing practices for residents and businesses, and a moratorium on all residential evictions for failure to pay rent, lease or other related charges.

The City received \$387.2 million from the CARES Act, Coronavirus Relief Fund on April 23, 2020, and incurred \$62.0 million in eligible expenses during the 2020 fiscal year.

To provide tax relief to City residents due to the pandemic, real property taxes due on August 20, 2020 were allowed to be paid in four monthly installments, without penalties or interest. A similar measure was adopted for the taxes due on February 20, 2021. Other property tax forgiveness and relief programs may have adverse impacts on the City's ability to provide core services and on the City's bond rating, and, therefore, have not been adopted.

Currently, the City is working on its annual operating budget for fiscal year 2022. At this time, little change is expected for revenues from the public service company tax, building permits and the motor vehicle registration annual fee. However, with the drastic decline in visitor arrivals, the transient accommodations tax (TAT) is expected to be significantly less than the statutory limited amount of \$45.4 million collected in more robust fiscal years. The full impact of the pandemic to revenues and expenditures is unknown at this time. The effects of COVID-19 is discussed further on page 69 in the Notes to Financial Statements.

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, 2020
 (Amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Total Component Units
ASSETS				
Cash and cash equivalents	\$ 247,999	\$ 312,308	\$ 560,307	\$ 87,867
Investments	1,103,199	1,169,532	2,272,731	450,873
Receivables (net)	145,891	89,861	235,752	97,143
Internal balances	362	(362)	--	--
Inventories	--	26,111	26,111	17,025
Prepaid expenses and other	--	3,621	3,621	31,779
Restricted assets:				
Cash and cash equivalents	--	85,218	85,218	91,443
Investments	--	319,156	319,156	10,875
Advance to component unit	725,833	--	725,833	--
Capital assets (net of accumulated depreciation):				
Land	893,417	162,413	1,055,830	220,289
Buildings and improvements	809,817	1,542,585	2,352,402	101,621
Equipment and machinery	135,543	204,881	340,424	99,165
Infrastructure	1,123,359	1,802,275	2,925,634	805,212
Construction work in progress	220,549	632,453	853,002	4,431,484
Total assets	5,405,969	6,350,052	11,756,021	6,444,776
DEFERRED OUTFLOWS				
Deferred outflows of resources	821,252	169,732	990,984	122,819
LIABILITIES				
Accounts payable	98,011	106,658	204,669	234,002
Matured bonds and interest payable ...	317	--	317	--
Accrued interest payable	46,443	53,257	99,700	4,424
Due to fiduciary funds	126	43	169	--
Other liabilities	29,397	11,776	41,173	28,921
Noncurrent liabilities:				
Due within one year	195,531	142,646	338,177	22,923
Due in more than one year	3,630,289	3,134,113	6,764,402	388,122
Other due in more than one year:				
Advance from City.....	--	--	--	725,833
Net pension liability.....	2,441,519	224,040	2,665,559	159,810
Net OPEB liability.....	1,670,762	200,821	1,871,583	357,623
Total liabilities	8,112,395	3,873,354	11,985,749	1,921,658
DEFERRED INFLOWS				
Deferred inflows of resources	389,415	21,099	410,514	31,994
NET POSITION				
Net investment in capital assets	606,519	1,528,125	2,134,644	4,415,602
Restricted for:				
Capital activity	--	--	--	29,005
Debt service	799,772	181,860	981,632	--
Unrestricted	(3,680,880)	915,346	(2,765,534)	169,336
Total net position	\$ (2,274,589)	\$ 2,625,331	\$ 350,742	\$ 4,613,943

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, 2020
 (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.....	\$ 872,700	\$ 287,061	\$ 38,337	\$ 214,246
Public safety.....	547,864	48,275	25,714	1,159
Highways and streets.....	113,417	394	--	3,834
Sanitation.....	439	--	--	--
Human services.....	104,227	553	97,773	1,581
Culture and recreation.....	154,387	26,482	3,012	72,044
Utilities or other enterprises.....	60,065	3,646	28,810	13,044
Interest.....	112,590	--	--	--
Total governmental activities..	<u>1,965,689</u>	<u>366,411</u>	<u>193,646</u>	<u>305,908</u>
Business-type activities:				
Housing.....	11,849	13,028	--	--
Sewer.....	290,583	455,467	--	790
Solid Waste.....	223,509	140,079	--	--
Public Transportation.....	301,089	46,801	23,405	14,997
Total business-type activities...	<u>827,030</u>	<u>655,375</u>	<u>23,405</u>	<u>15,787</u>
Total primary government.....	<u>\$ 2,792,719</u>	<u>\$ 1,021,786</u>	<u>\$ 217,051</u>	<u>\$ 321,695</u>
Component units:				
Total component units.....	<u>\$ 453,391</u>	<u>\$ 231,538</u>	<u>\$ 203,062</u>	<u>\$ 53,548</u>
General revenues:				
Property taxes.....				
Public service company tax.....				
Fuel tax				
Public utility franchise tax.....				
Investment earnings.....				
Unrestricted grants and contributions.....				
General Excise Tax Surcharge.....				
Other.....				
Transfers.....				
Total general revenues and transfers.....				
Change in net position.....				
Net position - beginning.....				
Net position - ending.....				

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

CITY AND COUNTY OF HONOLULU
STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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
\$ (333,056)	\$ --	\$ (333,056)	\$ --
(472,716)	--	(472,716)	--
(109,189)	--	(109,189)	--
(439)	--	(439)	--
(4,320)	--	(4,320)	--
(52,849)	--	(52,849)	--
(14,565)	--	(14,565)	--
(112,590)	--	(112,590)	--
(1,099,724)	--	(1,099,724)	--
--	1,179	1,179	--
--	165,674	165,674	--
--	(83,430)	(83,430)	--
--	(215,886)	(215,886)	--
--	(132,463)	(132,463)	--
(1,099,724)	(132,463)	(1,232,187)	--
--	--	--	34,757
1,429,321	--	1,429,321	--
42,498	--	42,498	--
47,042	--	47,042	--
49,684	--	49,684	--
19,013	26,543	45,556	10,711
37,902	--	37,902	--
--	--	--	322,250
7,214	--	7,214	119
(286,803)	286,803	--	--
1,345,871	313,346	1,659,217	333,080
246,147	180,883	427,030	367,837
(2,520,736)	2,444,448	(76,288)	4,246,106
\$ (2,274,589)	\$ 2,625,331	\$ 350,742	\$ 4,613,943

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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.

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 Funds

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.

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.

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 and Waikiki Shell. 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.

Housing and Community Development Rehabilitation Loan Fund

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

Pauahi Project Expenditures, Hawaii R-15 Fund

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

Housing and Community Development Section 8 Contract Fund

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

Debt Service Fund

Improvement District Bond and Interest Redemption Fund

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

Capital Projects Funds

General Improvement Bond Fund

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

Governmental Funds Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Capital Projects Funds (Continued)

Highway Improvement Bond Fund

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

Federal Grants Capital Projects Fund

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

Capital Projects Fund

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

CITY AND COUNTY OF HONOLULU
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2020
 (Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Federal Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments:						
With treasury	\$ 544,961	\$ 36,895	\$ 74,083	\$ 374,325	\$ 320,934	\$ 1,351,198
Receivables	44,193	27,505	--	4,566	69,627	145,891
Due from other funds	1,233	129	--	149	47	1,558
Advance to component unit	--	--	725,833	--	--	725,833
Total Assets	<u>\$ 590,387</u>	<u>\$ 64,529</u>	<u>\$ 799,916</u>	<u>\$ 379,040</u>	<u>\$ 390,608</u>	<u>\$ 2,224,480</u>
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 37,643	\$ 1,743	\$ --	\$ 11,234	\$ 47,391	\$ 98,011
Accrued payroll	26,104	1,915	--	121	1,257	29,397
Due to other funds	195	21	--	426	680	1,322
Matured bonds and interest payable.....	--	--	309	--	8	317
Total Liabilities	<u>63,942</u>	<u>3,679</u>	<u>309</u>	<u>11,781</u>	<u>49,336</u>	<u>129,047</u>
Deferred Inflow:						
Deferred inflow	<u>15,539</u>	<u>24,019</u>	<u>--</u>	<u>328,064</u>	<u>63,510</u>	<u>431,132</u>
Total Deferred Inflow	<u>15,539</u>	<u>24,019</u>	<u>--</u>	<u>328,064</u>	<u>63,510</u>	<u>431,132</u>
Fund Balances:						
Reserved for:						
Restricted	--	36,831	--	39,195	140,856	216,882
Committed	142,581	--	799,607	--	136,906	1,079,094
Assigned	110,176	--	--	--	--	110,176
Unassigned	258,149	--	--	--	--	258,149
Total Fund Balances	<u>510,906</u>	<u>36,831</u>	<u>799,607</u>	<u>39,195</u>	<u>277,762</u>	<u>1,664,301</u>
Total Liabilities, Deferred Inflow and Fund Balances..	<u>\$ 590,387</u>	<u>\$ 64,529</u>	<u>\$ 799,916</u>	<u>\$ 379,040</u>	<u>\$ 390,608</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.						3,182,685
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.						103,299
Deferred outflows of resources reported in governmental activities are not reported in the funds.						821,252
Deferred inflows of resources reported in governmental activities are not reported in the funds.						(61,582)
Long-term liabilities and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.						(7,984,544)
Net position of governmental activities						<u>\$ (2,274,589)</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, 2020
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Federal Grants Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes.....	\$ 1,447,893	\$ 96,115	\$ --	\$ --	\$ 21,072	\$ 1,565,080
Licenses and permits.....	43,757	181,983	--	--	6,734	232,474
Intergovernmental.....	37,902	--	--	103,906	105,171	246,979
Charges for services.....	6,970	5,005	--	--	18,787	30,762
Fines and forfeits.....	1,017	7	--	--	240	1,264
Miscellaneous:						
Recoveries.....	51,468	2,579	34,284	--	--	88,331
Interest.....	19,217	--	338	100	1,640	21,295
Other.....	8,374	1,261	--	6	15,557	25,198
Total Revenues.....	1,616,598	286,950	34,622	104,012	169,201	2,211,383
Expenditures:						
Current:						
General government.....	164,862	22,186	--	33,772	10,831	231,651
Public safety.....	463,259	34,149	--	9,097	9,295	515,800
Highways and streets.....	9,209	21,853	--	62	21,150	52,274
Sanitation.....	421	--	--	--	--	421
Human services.....	16,203	--	--	11,161	83,687	111,051
Culture-recreation.....	79,195	--	--	310	31,757	111,262
Utilities or other enterprises.....	659	5,743	--	24,813	40,456	71,671
Miscellaneous:						
Retirement and health benefits.....	365,942	40,558	--	--	15,932	422,432
Other.....	25,644	2,273	--	--	475	28,392
Capital Outlay:						
General government.....	2,940	39	--	10	30,974	33,963
Public safety.....	3,163	--	--	2,888	27,886	33,937
Highways and streets.....	74	9	--	--	56,972	57,055
Human services.....	--	--	--	252	35,335	35,587
Culture-recreation.....	581	--	--	--	29,790	30,371
Utilities or other enterprises.....	--	--	--	--	5,487	5,487
Debt service:						
Principal.....	--	--	160,928	--	--	160,928
Interest.....	--	--	145,493	--	--	145,493
Bond issuance costs	--	--	2,629	--	--	2,629
Total Expenditures.....	1,132,152	126,810	309,050	82,365	400,027	2,050,404
Revenues over (under) Expenditures.....	484,446	160,140	(274,428)	21,647	(230,826)	160,979
Other Financing Sources (Uses):						
Issuance of general obligation bonds.....	--	--	176,286	--	255,810	432,096
Bond premium	--	--	25,061	--	44,202	69,263
Issuance of refunding bonds.....	--	--	378,337	--	--	378,337
Bond premium on refunding bonds.....	--	--	78,549	--	--	78,549
Payment to escrow agent for refunding of bonds and commercial paper.....	--	--	(496,815)	--	--	(496,815)
Sales of capital assets.....	47	522	--	--	--	569
Transfers in.....	206,122	--	272,033	--	18,976	497,131
Transfers out.....	(605,358)	(165,984)	--	--	(12,592)	(783,934)
Total Other Financing Sources (Uses).....	(399,189)	(165,462)	433,451	--	306,396	175,196
Net change in fund balances.....	85,257	(5,322)	159,023	21,647	75,570	336,175
Fund Balances - July 1.....	425,649	42,153	640,584	17,548	202,192	1,328,126
Fund Balances - June 30.....	\$ 510,906	\$ 36,831	\$ 799,607	\$ 39,195	\$ 277,762	\$ 1,664,301

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, 2020
 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ 336,175
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.	340,489
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	801
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.	(257,435)
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.	(206,846)
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.	(2,040)
Funds report expenditures for contributions for pensions, OPEB and asset retirement obligations (ARO). The government wide financial statements report deferred outflows, deferred inflows, pension expense, OPEB expense and ARO expense.	35,003
Change in net position of governmental activities	\$ 246,147

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, 2020
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 700	\$ 278,021	\$ 30,318	\$ 3,269	\$ 312,308
Investments	3,317	1,023,426	127,515	15,274	1,169,532
Receivables:					
Accounts (net of allowance for uncollectibles of \$12,460)	3,471	66,193	10,743	1,176	81,583
Interest	--	6,682	636	--	7,318
Payroll Advance	--	620	323	17	960
Inventories of parts, materials and supplies, at cost.....	--	10,677	--	9,962	20,639
Inventories of real estate held for sale	5,472	--	--	--	5,472
Restricted assets:					
Cash and cash equivalents	20,102	64,155	--	961	85,218
Prepaid expenses and other assets	41	--	934	1,640	2,615
Total Current Assets	33,103	1,449,774	170,469	32,299	1,685,645
Noncurrent Assets:					
Restricted assets:					
Investments	--	302,773	16,383	--	319,156
Capital Assets:					
Land	14,078	48,040	24,063	76,232	162,413
Buildings and improvements	108,683	1,403,283	547,518	104,621	2,164,105
Transmission and distribution system	--	2,329,207	--	--	2,329,207
Equipment and machinery	1,702	151,814	303,298	33,903	490,717
Buses and other transit vehicles	--	--	--	292,095	292,095
Construction work in progress	--	522,696	93,017	16,740	632,453
Accumulated depreciation	(98,053)	(971,054)	(369,256)	(288,020)	(1,726,383)
Other noncurrent assets	1,006	--	--	--	1,006
Total Noncurrent Assets	27,416	3,786,759	615,023	235,571	4,664,769
Total Assets	60,519	5,236,533	785,492	267,870	6,350,414
DEFERRED OUTFLOWS					
Deferred loss on refunding of debt	1,846	67,466	20,114	--	89,426
Deferred outflows from pensions	--	27,310	20,277	1,230	48,817
Deferred outflows from OPEB	--	16,491	8,542	533	25,566
Deferred outflows from asset retirement obligation	--	4,931	--	992	5,923
Total Deferred Outflows	1,846	116,198	48,933	2,755	169,732
LIABILITIES					
Current Liabilities:					
Accounts payable	681	82,679	23,142	156	106,658
Interest payable	232	47,449	5,576	--	53,257
Notes payable	--	23,991	--	--	23,991
Bonds payable	3,881	74,881	26,248	--	105,010
Due to other funds	--	355	33	17	405
Reserve for insurance claims payable	--	--	--	11,422	11,422
Accrued payroll	--	1,775	1,257	53	3,085
Other current liabilities	1,246	527	1,678	1,031	4,482
Total Current Liabilities	6,040	231,657	57,934	12,679	308,310
Noncurrent Liabilities:					
Notes payable	--	271,922	--	--	271,922
General obligation bonds payable	20,839	525	479,845	--	501,209
Revenue bonds payable.....	--	2,299,959	--	--	2,299,959
Estimated liability for landfill closure and postclosure care costs.....	--	--	11,653	--	11,653
Net pension liability	--	129,465	90,306	4,269	224,040
Net OPEB liability	--	115,290	81,788	3,743	200,821
Other liabilities	6,433	19,475	4,263	25,631	55,802
Total Noncurrent Liabilities	27,272	2,836,636	667,855	33,643	3,565,406
Total Liabilities	33,312	3,068,293	725,789	46,322	3,873,716
DEFERRED INFLOWS					
Deferred inflows from pensions	--	10,906	6,376	458	17,740
Deferred inflows from OPEB	--	1,928	1,368	63	3,359
Total Deferred Inflows	--	12,834	7,744	521	21,099
NET POSITION					
Net investment in capital assets	3,537	1,159,974	129,043	235,571	1,528,125
Restricted for debt service	--	181,860	--	--	181,860
Unrestricted	25,516	929,770	(28,151)	(11,789)	915,346
Total Net Position	\$ 29,053	\$ 2,271,604	\$ 100,892	\$ 223,782	\$ 2,625,331

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, 2020
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Operating Revenues:					
Rental income	\$ 10,656	\$ --	\$ --	\$ --	\$ 10,656
Sewer service charges	--	444,292	--	--	444,292
Disposal and collection fees	--	--	66,922	--	66,922
Electrical energy fee	--	--	72,318	--	72,318
Passenger fares for transit services	--	--	--	46,214	46,214
Other revenue	--	10,609	839	587	12,035
Total Operating Revenues	10,656	454,901	140,079	46,801	652,437
Operating Expenses:					
Administrative and general	771	42,213	38,030	1,368	82,382
Maintenance	2,013	1,215	698	165	4,091
Depreciation	2,962	79,989	16,488	20,370	119,809
Contractual services	2,167	23,940	116,681	218,981	361,769
Fringe benefits	--	34,516	24,155	1,346	60,017
Materials and supplies	1,069	12,480	4,092	16,108	33,749
Fuel and lubricants	--	883	2,796	15,112	18,791
Insurance	87	--	2,941	21,525	24,553
State taxes - fuel	--	--	119	2,957	3,076
Utilities	2,053	23,896	312	3,008	29,269
Total Operating Expenses	11,122	219,132	206,312	300,940	737,506
Operating Income (Loss)	(466)	235,769	(66,233)	(254,139)	(85,069)
Nonoperating Revenues (Expenses):					
Interest revenue	21	23,781	1,844	--	25,646
Interest expense	(727)	(71,451)	(17,128)	--	(89,306)
Loss from disposal of property	--	--	--	(149)	(149)
Change in unrealized gain on investments.....	--	897	--	--	897
Other	2,372	566	(69)	23,405	26,274
Total Nonoperating Revenues (Expenses)	1,666	(46,207)	(15,353)	23,256	(36,638)
Income (Loss) before Transfers and Capital Contributions.....	1,200	189,562	(81,586)	(230,883)	(121,707)
Transfers In	4,618	--	106,555	208,054	319,227
Transfers Out	(312)	(19,093)	(13,019)	--	(32,424)
Capital Contributions	--	790	--	14,997	15,787
Change in Net Position	5,506	171,259	11,950	(7,832)	180,883
Net Position - July 1	23,547	2,100,345	88,942	231,614	2,444,448
Net Position - June 30	\$ 29,053	\$ 2,271,604	\$ 100,892	\$ 223,782	\$ 2,625,331

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, 2020
 (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.....	\$ 9,246	\$ 460,969	\$ 138,406	\$ 46,515	\$ 655,136
Payments to suppliers.....	(7,449)	(63,105)	(128,916)	(275,805)	(475,275)
Payments to employees.....	--	(67,607)	(50,693)	(2,214)	(120,514)
Other receipts	3,463	1,064	--	267	4,794
Net cash provided by (used in) operating activities	<u>5,260</u>	<u>331,321</u>	<u>(41,203)</u>	<u>(231,237)</u>	<u>64,141</u>
Cash flows from noncapital financing activities:					
Transfers in	4,618	--	106,555	208,054	319,227
Transfers out	(312)	(19,093)	(13,019)	--	(32,424)
Grants and contributions	--	--	--	23,405	23,405
Net cash provided by (used in) noncapital financing activities	<u>4,306</u>	<u>(19,093)</u>	<u>93,536</u>	<u>231,459</u>	<u>310,208</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(390)	(295,364)	(42,367)	(1,028)	(339,149)
Proceeds from issuing notes	--	107,827	--	--	107,827
Proceeds from issuing bonds	8,587	568,810	28,641	--	606,038
Capital grants and subsidies	--	2,287	--	--	2,287
Principal paid on notes	--	(22,204)	--	--	(22,204)
Principal paid on bonds	(13,059)	(426,017)	(29,577)	--	(468,653)
Interest paid on notes	--	(1,996)	--	--	(1,996)
Interest paid on bonds	(781)	(80,811)	(17,237)	--	(98,829)
Net cash used in capital and related financing activities	<u>(5,643)</u>	<u>(147,468)</u>	<u>(60,540)</u>	<u>(1,028)</u>	<u>(214,679)</u>
Cash flows from investing activities:					
Purchase of investments	(3,352)	(2,248,808)	(271,851)	(25,088)	(2,549,099)
Proceeds from maturities of investments	1,732	1,975,197	258,806	23,688	2,259,423
Interest on investments	--	26,775	2,370	--	29,145
Net cash used in investing activities	<u>(1,620)</u>	<u>(246,836)</u>	<u>(10,675)</u>	<u>(1,400)</u>	<u>(260,531)</u>
Net increase (decrease) in cash and cash equivalents	2,303	(82,076)	(18,882)	(2,206)	(100,861)
Cash and cash equivalents - July 1	18,499	424,252	49,200	6,436	498,387
Cash and cash equivalents - June 30	<u>\$ 20,802</u>	<u>\$ 342,176</u>	<u>\$ 30,318</u>	<u>\$ 4,230</u>	<u>\$ 397,526</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, 2020
 (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)	\$ (466)	\$ 235,769	\$ (66,233)	\$ (254,139)	\$ (85,069)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,962	79,989	16,488	20,370	119,809
Other revenues (expenses)	2,485	(26)	--	--	2,459
Writeoff of capital assets	500	837	--	--	1,337
Loss on disposal of inventory.....	--	--	--	(149)	(149)
(Increase) decrease in accounts receivable	(432)	7,345	2,095	547	9,555
(Increase) decrease in inventory of parts, materials and supplies	--	839	--	(812)	27
(Increase) decrease in prepaid expenses and other assets	9	--	(134)	(631)	(756)
Decrease in deferred outflows of resources	--	1,551	1,253	929	3,733
Increase (decrease) in trade accounts payables	183	994	3,085	(194)	4,068
Increase in reserve for insurance claims payable	--	--	--	3,311	3,311
Increase (decrease) in other liabilities	19	189	3	(203)	8
Increase (decrease) in net pension liability	--	6,512	5,247	(195)	11,564
Decrease in net OPEB liability	--	(58)	(1,036)	(417)	(1,511)
Increase (decrease) in due to other funds	--	347	(103)	17	261
Increase (decrease) in deferred inflows of resources	--	(2,967)	(1,868)	329	(4,506)
Net cash provided by (used in) operating activities	<u>\$ 5,260</u>	<u>\$ 331,321</u>	<u>\$ (41,203)</u>	<u>\$ (231,237)</u>	<u>\$ 64,141</u>

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

Housing

Interest expense for bond premium and bond deferred loss on refunding amounted to (\$10) for the year ended June 30, 2020. Beginning cash balance includes \$17,859 in restricted assets and ending cash balance includes \$20,102 in restricted assets.

Sewer

The Sewer Fund received \$790 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, 2020. Interest expense for bond discount, bond premium and deferred loss on refunding amounted to \$121, (\$19,334), and \$5,012 respectively, for the year ended June 30, 2020. Beginning cash balance includes \$41,050 in restricted assets and ending cash balance includes \$64,155 in restricted assets.

Solid Waste

Interest expense for bond discount, bond premium and deferred loss on refunding amounted to \$5, (\$2,326) and \$1,614 respectively, for the year ended June 30, 2020.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$14,997 for the year ended June 30, 2020. Beginning cash balance includes \$964 in restricted assets and ending cash balance includes \$961 in restricted assets.

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

Fiduciary Fund Financial Statements

General Trust Fund

This fund accounts for monies received by the various agencies of the City for specific purposes, as trustee, escrow agent, custodian or security holder, for which no special fund exists.

Treasury Trust Fund

Receipts and disbursements of monies from this fund are made through commercial checking accounts authorized by the Director of Budget and Fiscal Services.

Real Property Tax Trust Fund

This fund is used for the purpose of making refunds and adjustments relating to real property taxes.

Payroll Clearance Fund

This fund is used to clear payments of all salaries and wages.

CITY AND COUNTY OF HONOLULU
STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2020
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 660	\$ 9,653
Investments	3,262	32,429
Accounts receivable	429	--
Due from other funds	87	82
Total assets	4,438	42,164
<u>LIABILITIES</u>		
Accounts payable	--	7,485
Other current liabilities	--	34,679
Total liabilities	--	42,164
<u>NET POSITION</u>		
Held in trust for individuals, organizations and other governments	\$ 4,438	\$ --

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, 2020
 (Amounts in thousands)

	Private-purpose Trust Fund
<u>ADDITIONS</u>	
Interest	\$ 3
Collections for sundry creditors, contributions, etc.....	1,120
Total additions	1,123
<u>DEDUCTION</u>	
Payments in accordance with trust agreements	1,017
Change in net position	106
Net position - July 1	4,332
Net position - June 30	\$ 4,438

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, 2020
 (Amounts in thousands)

	Board of Water Supply	Honolulu Authority for Rapid Transportation	OTS, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ 67,878	\$ 15,190	\$ 4,799	\$ 87,867
Investments	378,745	72,128	--	450,873
Receivables (net)	31,889	65,254	--	97,143
Inventories	17,025	--	--	17,025
Prepaid expenses and other	378	31,275	126	31,779
Restricted assets:				
Cash and cash equivalents	90,483	--	960	91,443
Investments	10,875	--	--	10,875
Capital assets (net of accumulated depreciation):				
Land	32,373	187,916	--	220,289
Buildings and improvements	101,621	--	--	101,621
Equipment and machinery	99,156	9	--	99,165
Infrastructure	805,212	--	--	805,212
Construction work in progress	209,338	4,222,146	--	4,431,484
Total assets	<u>1,844,973</u>	<u>4,593,918</u>	<u>5,885</u>	<u>6,444,776</u>
DEFERRED OUTFLOWS				
Deferred outflows of resources	<u>48,194</u>	<u>7,097</u>	<u>67,528</u>	<u>122,819</u>
LIABILITIES				
Accounts payable	34,261	196,701	3,040	234,002
Accrued interest payable	4,424	--	--	4,424
Other liabilities	4,040	6,330	18,551	28,921
Noncurrent liabilities:				
Due within one year	19,786	2,238	899	22,923
Due in more than one year	379,867	1,366	6,889	388,122
Other due in more than one year:				
Advance from City.....	--	725,833	--	725,833
Net pension liability.....	114,808	25,844	19,158	159,810
Net OPEB liability	73,815	6,948	276,860	357,623
Total liabilities	<u>631,001</u>	<u>965,260</u>	<u>325,397</u>	<u>1,921,658</u>
DEFERRED INFLOWS				
Deferred inflows of resources	<u>11,750</u>	<u>1,351</u>	<u>18,893</u>	<u>31,994</u>
NET POSITION				
Net investment in capital assets	929,869	3,485,733	--	4,415,602
Restricted for:				
Capital activity	29,005	--	--	29,005
Unrestricted	291,542	148,671	(270,877)	169,336
Total net position	<u>\$ 1,250,416</u>	<u>\$ 3,634,404</u>	<u>\$ (270,877)</u>	<u>\$ 4,613,943</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, 2020
 (Amounts in thousands)

	Board of Water Supply	Honolulu Authority for Rapid Transportation	OTS, Inc.	Total
Expenses.....	\$ 210,743	\$ 23,222	\$ 219,426	\$ 453,391
Program Revenues:				
Charges for Services.....	231,108	--	430	231,538
Operating Grants and Contributions...	--	--	203,062	203,062
Capital Grants and Contributions.....	28,545	25,003	--	53,548
Total Program Revenues.....	<u>259,653</u>	<u>25,003</u>	<u>203,492</u>	<u>488,148</u>
Program Revenues over (under)				
Expenses.....	48,910	1,781	(15,934)	34,757
General Revenues:				
Investment earnings.....	7,994	2,717	--	10,711
Intergovernmental revenues.....	--	322,250	--	322,250
Other revenues.....	--	119	--	119
Total general revenues.....	<u>7,994</u>	<u>325,086</u>	<u>--</u>	<u>333,080</u>
Change in net position.....	56,904	326,867	(15,934)	367,837
Net position - beginning.....	<u>1,193,512</u>	<u>3,307,537</u>	<u>(254,943)</u>	<u>4,246,106</u>
Net position - ending.....	<u>\$ 1,250,416</u>	<u>\$ 3,634,404</u>	<u>\$ (270,877)</u>	<u>\$ 4,613,943</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, 2020

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 2020.

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 combining statements of the component units in the financial statements include the financial data of the three legally separated, discretely presented component units. BWS and HART are semi-autonomous City agencies while OTS is a private non-profit corporation.

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. The Legislature of State of Hawaii enacted Act 001, Session Laws of Hawaii (SLH) 2017, among other things, provided for four additional non-voting members, two each to be appointed by the Senate president and the House speaker. HART has been granted corporate powers by the City Charter such as

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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 online at <http://www.honolulustransit.org> or from their office located at 1099 Alakea Street, Suite 1700, Honolulu, Hawaii, 96813.

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. Complete financial statements may be obtained by writing to OTS, Inc., 811 Middle Street, Honolulu, Hawaii, 96819.

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, 2020

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 proceeds from the issuance of bonds and transfer of funds from the general fund.

Federal Grants Fund

This fund accounts for disposition of the proceeds provided by the federal government that directly assists the City in the form of any grant, loan, contract, or other financial assistance. This may include use of equipment, donations of surplus property and other forms of in-kind assistance. Major revenue sources include the federal assistance in response to the unprecedented COVID-19 pandemic through Coronavirus Aid, Relief, and Economic Security (CARES) Act.

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 primarily 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

Solid Waste Special Fund

This fund accounts for all revenues derived from the operation of the City's Refuse Division solid waste disposal programs, glass recycling program, and other recycling programs. All monies placed in this fund are maintained in separate accounts identified with and expended for the intended purposes. Revenue sources include solid waste disposal fees, refuse collection fees, and electrical energy fees received from the sale of electrical energy produced by the combustion of refuse at the City's solid waste disposal facility. Additional sources include subsidies from the general fund to support the refuse collection and disposal operations.

Public Transportation System

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

miscellaneous revenues are not susceptible to accrual because they are not measurable until received in cash.

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

Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

The City's governmental fund types are as follows:

General Fund – The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

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

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

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

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

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

investments with original maturity of three months or less from date of acquisition, and imprest and change funds. Cash on deposit with financial institutions is collateralized in accordance with State statutes.

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

Real Property Taxes

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

Real Property Tax Abatement Programs

The City provides 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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

is provided with reasonable visual access to the property and that the property is maintained in accordance with an approved maintenance agreement. The abatement is equal to 50% of the assessed value of the portion of real property dedicated for preservation. The amount of the abatement is shown as a reduction of the assessed value of the property and the property tax is calculated based on the net taxable value of the property. The abatement is for a minimum of ten years, automatically renewable indefinitely.

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

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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 15-217-57. 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	\$ 11,504
Commercial property historical dedication	382
Residential property historical dedication	4,108
Dedicated land in urban districts	55
Low income rental housing exemption	14,040
Central Kakaako industrial zone limited development	1,068
Total gross amount of revenue reduction	<u>\$ 31,157</u>

Unbilled Receivables

Included in the receivables at June 30, 2020 for BWS and the proprietary fund type were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$12.1 million and \$31.9 million, respectively.

Inventories of Parts, Materials and Supplies

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

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

CITY AND COUNTY OF HONOLULU
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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 or more 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 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	13-100
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.

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Asset Retirement Obligation (ARO)

An ARO is a legally enforceable liability relating to retirement of a tangible capital asset. A government that has a legal obligation to perform future asset retirement activities related to its tangible capital assets should recognize a liability.

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, OPEB and ARO related costs are deferred and amortized systematically over a specified period of time. The balances as of June 30, 2020 are as follows (amounts in thousands):

	Governmental Funds	Business-Type Funds	Component Units
Deferred loss on refunding of bond	\$ 79,655	\$ 89,426	\$ 14,780
Deferred ARO related costs	813	5,923	-
Deferred pension related costs	542,573	48,817	36,122
Deferred OPEB related costs	198,211	25,566	71,917
	<u>\$ 821,252</u>	<u>\$ 169,732</u>	<u>\$ 122,819</u>

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 and OPEB related costs. Revenues are recognized in the period amounts become available. The balances as of June 30, 2020 are as follows (amounts in thousands):

	Governmental Funds	Business-Type Funds	Component Units
Deferred pension related costs	\$ 33,645	\$ 17,740	\$ 12,318
Unearned real property tax	2,698	-	-
Unearned Federal Assistance (CRF)	325,135	-	-
Deferred OPEB related costs	27,937	3,359	19,676
	<u>\$ 389,415</u>	<u>\$ 21,099</u>	<u>\$ 31,994</u>
Unavailable Revenue			
Sub-recipient loan program	\$ 56,430	\$ -	\$ -
Public utilities franchise taxes	24,019	-	-
Real property taxes*	15,503	-	-
Coronavirus Relief Fund (CRF)	325,135	-	-
Housing assistance loan program	10,002	-	-
Others	43	-	-
	<u>\$ 431,132</u>	<u>\$ -</u>	<u>\$ -</u>

*includes \$2.7 million received in the current year to be applied to future fiscal years.

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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 \$208.1 million to the PTS, \$106.6 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.

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 they are 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

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deemed to be in excess of funding to sustain services, subject to council approval. The balance in the fund is \$129.9 million at June 30, 2020.

- *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 41 to 43. The following is a summary (amounts in thousands) of the fund balance classifications for the major and other governmental (nonmajor) funds as of June 30, 2020:

	General Fund	Highway Fund	GOB and IR Fund*	Federal Grants Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:						
Highways	\$ -	\$ 36,831	\$ -	\$ -	\$ 7,221	\$ 44,052
Federal programs	-	-	-	39,195	14,466	53,661
Affordable housing programs	-	-	-	-	33,217	33,217
Land conservation program	-	-	-	-	32,866	32,866
Special projects	-	-	-	-	18,592	18,592
Rental assistance program	-	-	-	-	7,973	7,973
Rehabilitation loan program	-	-	-	-	6,453	6,453
Liquor Commission Office	-	-	-	-	3,457	3,457
Bikeways	-	-	-	-	2,838	2,838
Other capital projects	-	-	-	-	13,773	13,773
Sub-Total	-	36,831	-	39,195	140,856	216,882
Committed to:						
Emergency reserves	129,943	-	-	-	-	129,943
Parks and recreation	-	-	-	-	6,319	6,319
Hanauma Bay operations	-	-	-	-	6,179	6,179
Rental assistance program	-	-	-	-	1,920	1,920
Auditorium operations	-	-	-	-	3,589	3,589
Golf operations	-	-	-	-	1,525	1,525
Improvement districts	1,962	-	-	-	165	2,127
Other capital projects	-	-	-	-	73,673	73,673
Highway improvements	-	-	-	-	40,543	40,543
Reserved for debt service	-	-	799,607	-	-	799,607
Other	10,676	-	-	-	2,993	13,669
Sub-Total	142,581	-	799,607	-	136,906	1,079,094

*General Obligation Bond and Interest Redemption Fund

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Summary of fund balances (continued):

	General Fund	Highway Fund	GOB and IR Fund*	Federal Grants Fund	Other Governmental Funds	Total Governmental Funds
Assigned to:						
Recreation	17,583	-	-	-	-	17,583
Police	7,131	-	-	-	-	7,131
Environmental services	114	-	-	-	-	114
Data processing	3,412	-	-	-	-	3,412
Fire	2,198	-	-	-	-	2,198
Human services	14,507	-	-	-	-	14,507
Legal	3,441	-	-	-	-	3,441
Provisional for risk management	3,607	-	-	-	-	3,607
Building additions and improvements	5,984	-	-	-	-	5,984
Repairs and maintenance	19,917	-	-	-	-	19,917
Customer services	3,779	-	-	-	-	3,779
Planning & zoning	8,136	-	-	-	-	8,136
Finance	1,701	-	-	-	-	1,701
Other	18,666	-	-	-	-	18,666
Sub-Total	<u>110,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,176</u>
Unassigned:	258,149	-	-	-	-	258,149
Total	<u>\$ 510,906</u>	<u>\$ 36,831</u>	<u>\$ 799,607</u>	<u>\$ 39,195</u>	<u>\$ 277,762</u>	<u>\$ 1,664,301</u>

*General Obligation Bond and Interest Redemption Fund

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 in 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.

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Retirement Plan Contributions

Act 181 (SLH 2004) established fixed employer contribution rates as a percentage of compensation. Pursuant to the new Act 17 (SLH 2017), the City's fiscal year 2020 contribution rates to the Employees' Retirement System of the State of Hawaii were 36.0% for Police and Fire or 22.0% 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 \$680.7 million are not reported in the accompanying financial statements at June 30, 2020.

Compensated Absences

The City accrues accumulated unpaid vacation when earned (or estimated to be earned) by the employee. Vacation benefits accrue at a rate of one and three-quarters working days for each month. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year.

Sick leave accumulates at the rate of one and three-quarters working days for each month without limit. Sick leave is taken only in the event of illness and is not convertible to pay; accordingly, sick leave is not accrued in the accompanying financial statements. Employees who retire or leave government service in good standing with sixty or more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2020, accumulated sick leave amounted to \$412.8 million.

Leases

Leases that transfer substantially all of the risks and benefits of ownership are accounted for as capital leases. Other leases are operating leases. Capital leases are included in capital assets and, where appropriate, are amortized over the shorter of their estimated economic useful lives or lease terms. The related capital lease obligations are included in long-term debt. Operating leases are expensed (or expensed) when the related liability is incurred.

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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 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, 2020 there were no deficit balances reported in any of the City's primary government funds.

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.

Coronavirus Disease 2019 (COVID-19)

The outbreak of COVID-19 has been declared a pandemic by the World Health Organization. The Governor of Hawaii and the Mayor of the City and County of Honolulu declared a state of emergency effective March 4, 2020, each of which are still in effect. On March 23, 2020 the Mayor ordered the shutdown of all non-essential businesses and mandated that all employees, other than essential workers, remain at home. Although there was a decline in COVID-19 cases following the shutdown there was an increase of cases in the summer resulting in another shutdown ordered by the Mayor on August 6, 2020. While COVID-19 infection rates declined following the second shutdown there is no assurance the COVID-19 infections will not increase above current levels or that another shutdown will not be reinstated during the pandemic.

The COVID-19 pandemic and related economic disruptions resulting from the emergency measures to contain it have resulted in a reduction in the City's fiscal year 2020 revenue and projected revenue for fiscal year 2021 however the ultimate impact of the pandemic cannot be determined at this time.

As of June 30, 2020 the City received \$387 million from the CARES Act, Coronavirus Relief Fund. The City incurred \$62 million of eligible expenses in fiscal year 2020. The City anticipates the remaining \$325 million of eligible expenses will be incurred in fiscal year 2021.

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New Accounting Pronouncements

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, 2019. The City has not yet determined the effect this Statement will have on its financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thus enhancing the relevance and consistency of information reported about the government's leasing activities. The provisions of this Statement are effective for the period beginning after June 15, 2021. The City has not yet determined the effect this Statement will have on its financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. For accounting and financial reporting purposes, a conduit debt obligation is a debt instrument issued in the name of a state or local government (the issuer) that is for the benefit of a third party primarily liable for the repayment of the debt instrument (the third-party obligor). The provisions of this Statement are effective for the period beginning after December 15, 2021. The City implemented the provisions of this statement and determined there was no significant impact on the financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. 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 leases, pension, other postemployment benefits, fiduciary activities, assets retirement obligations, public entity risk pools, nonrecurring fair value measurements, and derivative instruments. The provisions of this Statement are effective for reporting period beginning after June 15, 2021. The City has not yet determined the effect this Statement will have on its financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to provide guidance for governments transitioning from interbank offered rates (IBOR) to other reference rates as the

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commonly used London Interbank Offered Rate (LIBOR) is set to expire at the end of 2021. The provisions of this Statements are effective for the period beginning after June 15, 2021. The City has not yet determined the effect this Statement will have on its financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to set forth guidance for reporting of public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). PPPs are partnerships between the government as transferor and another governmental or nongovernmental entity as operator to provide public services while conveying right to operate or use the underlying PPP asset. This provision provides guidance on whether to account for a contract by using this provision's service-concession agreement (SCA) method or non-SCA, PPP method, or by using Statement No. 87, *Leases*. The provisions of this Statements are effective for the period beginning after June 15, 2022. The City has not yet determined the effect this Statement will have on its financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this Statement are to define Subscription-Based Information Technology Arrangements (SBITA) and establish a model for accounting and reporting in line with Statement No. 87, *Leases*. A SBITA is a contract that conveys the right to use a SBITA vendor's software alone or with underlying IT assets for a period of time in an exchange transaction. Under this Statement, the government is required to recognize a subscription liability and an intangible right-to-use subscription asset, thus enhancing the relevance and consistency of information reported about the government's subscription activities. The provisions of this Statement are effective for the period beginning after June 15, 2022. The City has not yet determined the effect this Statement will have on its financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The objectives of this Statements are:

- (1) To clarify fiduciary component unit reporting in the absence of a governing board for a legally separate organization. The primary government performing those board duties should be treated the same as the primary government appointing the voting majority of board. This provision is effective immediately;
- (2) To mitigate the financial burden of reporting certain defined contribution pension plans, defined contribution other postemployment benefit plans, and

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other employee benefit plans as fiduciary component units in fiduciary fund financial statements. This provision is effective immediately; and

- (3) To improve reporting for certain Internal Revenue Code Section 457 deferred compensation plans which are classified as pension plans and benefits from those plans. This provision is effective for periods beginning after June 15, 2021.

The City has not yet determined the effect this Statement will have on its financial statements.

2. Budgets and Budgetary Accounting

On or before March 2 of each year, the Mayor submits to the City Council proposed operating and capital budgets for the ensuing fiscal year commencing on July 1. The budgets are on a basis consistent with GAAP except that encumbrances are treated as budgeted expenditures in the year the commitments are made. After public hearings, and on or prior to June 15, the budgets are legally enacted through passage of budget ordinances by the City Council.

All proprietary funds have legally adopted annual budgets as well as the following governmental funds: General Fund, Highway Fund, Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund, Bikeway Fund, Liquor Commission Fund, Rental Assistance Fund, Grants in Aid Fund, Hanauma Bay Nature Preserve Fund, Clean Water and Natural Lands Fund, Affordable Housing Fund, Patsy T. Mink Central Oahu Regional Park Fund, Waipio Peninsula Soccer Park Fund, Golf Fund, Special Events Fund, Honolulu Zoo 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 expended or encumbered.

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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, whichever is less; 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 for either the originating or receiving characters of expenditure 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.

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 \$8.0 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$ 3,825,820
Net pension liability	2,441,519
Net other post-employment benefits liability	1,670,762
Accrued interest payable and other	46,443
	<u>\$ 7,984,544</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

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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 \$340.5 million difference are as follows (amounts in thousands):

Capital outlays	\$	196,400
Contributions		300,785
Transfers, net		519
Write offs		(18,995)
Depreciation expense		<u>(138,220)</u>
Net adjustment	<u>\$</u>	<u>340,489</u>

Another element of that reconciliation states that, "Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds." The details of this \$0.8 million difference are as follows (amounts in thousands):

Taxes	\$	3,465
Intergovernmental		(2,063)
Other		<u>(601)</u>
Net adjustment	<u>\$</u>	<u>801</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 \$257.4 million difference are as follows (amounts in thousands):

Debt Issued:		
General obligation bonds, net		\$ (958,245)
Principal Repayments:		
General obligation bonds, net	\$	700,606
Other long-term debt		<u>204</u>
Net adjustment		<u>700,810</u>
	<u>\$</u>	<u>(257,435)</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,

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therefore, are not reported as expenditures in governmental funds.” The details of this \$206.8 million difference are as follows (amounts in thousands):

Increase in compensated absences	\$	(5,392)
Decrease in claims and judgements		14,468
Decrease in asset retirement obligation		1,215
Decrease in net OPEB liability		17,857
Increase in Net pension liability		(229,499)
Increase in other - accrued interest		(5,495)
Net adjustment	\$	<u>(206,846)</u>

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 \$2.0 million for deferred outflows related to debt refundings.

The final element of that reconciliation states that, “Funds report expenditures for contributions for pensions, other post-employment benefits (OPEB) and asset retirement obligations (ARO). The government-wide statements report deferred outflows, deferred inflows, pension expense, OPEB expense and ARO expense.” The details of this \$35.0 million difference are as follows (amounts in thousands):

Increase in deferred outflows	\$	7,895
Decrease in deferred inflows		27,108
Net adjustment	\$	<u>35,003</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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 18-115, CD1 governs acceptable types of investments. The City's resolution 07-51, CD1 and 18-115, CD1 govern the deposit and short-term investment of general excise and use tax revenues.

Credit Risk (amounts in thousands):

	Fair Value	Quality Rating	
		Aaa	Not Rated
Primary Government:			
U.S. government treasury	\$ 507,763	\$ 507,763	\$ -
Certificate of deposits	918,672	-	918,672
Guaranteed investment contracts	12,707	-	12,707
U.S. government securities	1,164,913	1,164,913	-
Component Units:			
Board of Water Supply			
U.S. government treasury	319,259	319,259	-
U.S. government agencies	70,361	70,361	-
Honolulu Authority for Rapid Transportation			
U.S. government treasury	14,007	14,007	-
Certificate of deposits	26,156	-	26,156
U.S. government securities	32,298	32,298	-
Fiduciary Funds:			
Certificate of deposits	35,691	-	35,691

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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, 2020, the City had no investments in money market mutual funds or external investment pools.

Concentration of Credit Risk

As of June 30, 2020, \$12.7 million is invested with FSA Capital Management Services LLC.

The fair value and maturities of investments as of June 30, 2020 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	\$ 502,344	\$ 507,763	\$ 507,763	\$ -	\$ -	\$ -
Certificate of deposits	918,672	918,672	495,563	423,109	-	-
Guaranteed investment contracts	12,707	12,707	-	-	-	12,707
U.S. government securities	1,158,307	1,164,913	873,211	291,702	-	-
Total	<u>\$ 2,592,030</u>	<u>\$ 2,604,055</u>	<u>\$ 1,876,537</u>	<u>\$ 714,811</u>	<u>\$ -</u>	<u>\$ 12,707</u>
Component Units:						
Board of Water Supply						
U.S. government treasury	\$ 307,194	\$ 319,259	\$ 56,638	\$ 262,621	\$ -	\$ -
U.S. government agencies	67,727	70,361	17,205	53,156	-	-
Honolulu Authority for Rapid Transportation						
U.S. government treasury	13,906	14,007	14,007	-	-	-
Certificate of deposits	26,156	26,156	13,684	12,472	-	-
U.S. government securities	32,066	32,298	24,208	8,090	-	-
Total	<u>\$ 447,049</u>	<u>\$ 462,081</u>	<u>\$ 125,742</u>	<u>\$ 336,339</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds:						
Certificate of deposits	\$ 35,691	\$ 35,691	\$ -	\$ 35,691	\$ -	\$ -

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 (level 1) and the lowest priority to unobservable inputs (level 3). 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.

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

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

Level 3 – Investments classified as Level 3 have unobservable inputs for an asset or liability and may require a degree of professional judgment.

A description of the valuation techniques used by the City to measure fair value is as follows:

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

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, 2020 (amounts in thousands):

	Fair Value	Level One	Level Two
Primary Government:			
U.S. government securities	\$ 291,702	\$ -	\$ 291,702
Component Units:			
Board of Water Supply			
U.S. government treasury	\$ 319,259	\$ 319,259	\$ -
U.S. government agencies	70,361	-	70,361
Honolulu Authority for Rapid Transportation			
U.S. government securities	8,090	-	8,090
Total	<u>\$ 397,710</u>	<u>\$ 319,259</u>	<u>\$ 78,451</u>

As of June 30, 2020 investments recorded at amortized cost totaled \$1.9 billion for primary government, \$51.9 million for component units.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

5. Receivables

Receivable balances at June 30, 2020 consists of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 17,892	\$ -
Accounts	8,852	94,043
Public utilities franchise taxes	24,019	-
Special assessments	2	-
Notes	67,808	-
Intergovernmental	17,529	-
Interest	5,710	7,318
Payroll and others	8,419	960
Allowance for uncollectible accounts	(4,340)	(12,460)
	<u>\$ 145,891</u>	<u>\$ 89,861</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred inflows of resources in the governmental funds. \$103.3 million (excludes \$325.1 million of Coronavirus Relief Funds for which eligibility requirements have not been met and \$2.7 million of Real Property Tax received in the current year to be applied to future fiscal years) of the receivables have been deferred at June 30, 2020.

The only receivables not expected to be collected within one year are the noncurrent portion of the notes receivable in the amount of \$67.2 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, 2020

6. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2020 (amounts in thousands):

Primary Government –

	Balance at June 30, 2019	Addition/ Transfer In	Retirements/ Transfers Out	Balance at June 30, 2020
Governmental Activities:				
Depreciable Assets –				
Buildings and improvements	\$ 1,616,166	\$ 132,235	\$ -	\$ 1,748,401
Equipment and machinery	452,143	35,457	(7,676)	479,924
Infrastructure	1,947,571	96,722	(241)	2,044,052
Total depreciable assets	<u>4,015,880</u>	<u>264,414</u>	<u>(7,917)</u>	<u>4,272,377</u>
Less Accumulated Depreciation –				
Buildings and improvements	(888,773)	(49,811)	-	(938,584)
Equipment and machinery	(329,478)	(22,264)	7,361	(344,381)
Infrastructure	(854,782)	(66,145)	234	(920,693)
Total accumulated depreciation	<u>(2,073,033)</u>	<u>(138,220)</u>	<u>7,595</u>	<u>(2,203,658)</u>
Net depreciable assets	1,942,847	126,194	(322)	2,068,719
Land	568,150	325,267	-	893,417
Construction Work in Progress	331,199	142,728	(253,378)	220,549
Governmental activities – capital assets, net	<u>2,842,196</u>	<u>594,189</u>	<u>(253,700)</u>	<u>3,182,685</u>
Business-type Activities:				
Depreciable Assets –				
Buildings and improvements	2,133,488	30,617	-	2,164,105
Equipment and machinery	740,815	47,694	(5,697)	782,812
Infrastructure	2,163,335	165,878	(6)	2,329,207
Total depreciable assets	<u>5,037,638</u>	<u>244,189</u>	<u>(5,703)</u>	<u>5,276,124</u>
Less Accumulated Depreciation –				
Buildings and improvements	(575,881)	(45,639)	-	(621,520)
Equipment and machinery	(551,224)	(32,395)	5,688	(577,931)
Infrastructure	(485,162)	(41,775)	5	(526,932)
Total accumulated depreciation	<u>(1,612,267)</u>	<u>(119,809)</u>	<u>5,693</u>	<u>(1,726,383)</u>
Net depreciable assets	3,425,371	124,380	(10)	3,549,741
Land	162,399	516	(502)	162,413
Construction Work in Progress	505,418	355,851	(228,816)	632,453
Business-type activities – capital assets, net	<u>4,093,188</u>	<u>480,747</u>	<u>(229,328)</u>	<u>4,344,607</u>
Total primary government capital assets, net	<u>\$ 6,935,384</u>	<u>\$ 1,074,936</u>	<u>\$ (483,028)</u>	<u>\$ 7,527,292</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

Discretely Presented Component Units –

	Balance at June 30, 2019	Additions/ Transfers In	Retirements/ Transfers Out	Balance at June 30, 2020
Board of Water Supply				
Depreciable Assets –				
Buildings and improvements	\$ 186,260	\$ 3,795	\$ (100)	\$ 189,955
Equipment and machinery	328,434	20,947	(1,917)	347,464
Infrastructure	1,556,510	32,116	(1,653)	1,586,973
Total depreciable assets	<u>2,071,204</u>	<u>56,858</u>	<u>(3,670)</u>	<u>2,124,392</u>
Less Accumulated Depreciation –				
Buildings and improvements	(84,163)	(4,238)	67	(88,334)
Equipment and machinery	(238,317)	(11,878)	1,887	(248,308)
Infrastructure	(751,412)	(31,389)	1,040	(781,761)
Total accumulated depreciation	<u>(1,073,892)</u>	<u>(47,505)</u>	<u>2,994</u>	<u>(1,118,403)</u>
Net depreciable assets	997,312	9,353	(676)	1,005,989
Land	32,373	-	-	32,373
Construction Work in Progress	159,221	99,930	(49,813)	209,338
BWS capital assets, net	<u>1,188,906</u>	<u>109,283</u>	<u>(50,489)</u>	<u>1,247,700</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	(158)	(4)	-	(162)
Total accumulated depreciation	<u>(158)</u>	<u>(4)</u>	<u>-</u>	<u>(162)</u>
Net depreciable assets	13	(4)	-	9
Land	173,263	14,653	-	187,916
Construction Work in Progress	3,686,873	535,273	-	4,222,146
HART capital assets, net	<u>3,860,149</u>	<u>549,922</u>	<u>-</u>	<u>4,410,071</u>
Total component units capital assets, net	<u>\$ 5,049,055</u>	<u>\$ 659,205</u>	<u>\$ (50,489)</u>	<u>\$ 5,657,771</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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

Governmental Activities:

General government	\$ 19,820
Public safety	24,009
Highways and streets	62,720
Culture and recreation	26,607
Sanitation	18
Utilities	3,573
Human Services	1,473
	\$ 138,220
Total depreciation expense – governmental activities	\$ 138,220

Business-type Activities:

Housing	\$ 2,962
Sewer	79,989
Solid Waste	16,488
Public Transportation System	20,370
	\$ 119,809
Total depreciation expense – business-type activities	\$ 119,809

Component Units:

Board of Water Supply (\$1,709 was allocated to various functions)	\$ 45,796
Honolulu Authority on Rapid Transportation	4
	\$ 45,800
Total depreciation expense – component units	\$ 45,800

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

7. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2020 (amounts in thousands):

	Due From Other Funds	Due to Other Funds
General Fund	\$ 1,233	\$ 195
Highway Fund	129	21
Federal Grants Fund	149	426
Nonmajor Governmental Funds	47	680
Fiduciary Funds	169	-
Enterprise Funds:		
Sewer Fund	-	355
Solid Waste Special Fund	-	33
Public Transportation System Fund	-	17
	<u>\$ 1,727</u>	<u>\$ 1,727</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, 2020, 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, 2020 (amounts in thousands):

	Transferred from Other Funds	Transferred to Other Funds
General Fund	\$ 206,122	\$ 605,358
Highway Fund	-	165,984
G.O. Bond and Interest Redemption Fund	272,033	-
Nonmajor Governmental Funds	18,976	12,592
Enterprise Funds:		
Housing Development Special Fund	4,618	312
Sewer Fund	-	19,093
Solid Waste Special Fund	106,555	13,019
Public Transportation System Fund	208,054	-
	<u>\$ 816,358</u>	<u>\$ 816,358</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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, 2020 (amounts in thousands):

	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020	Amounts Due Within One Year
Primary Government -					
Governmental Activities					
General obligation (GO) bonds	\$ 3,050,016	\$ 810,433	\$ 651,209	\$ 3,209,240	\$ 153,185
Add: Unamortized premium	251,979	147,812	49,504	350,287	-
Less: Unamortized discount	(1,329)	-	(107)	(1,222)	-
Total bonds payable	3,300,666	958,245	700,606	3,558,305	153,185
Notes payable to state government	657	-	204	453	177
Sub-total debt	3,301,323	958,245	700,810	3,558,758	153,362
Asset Retirement Obligations (Note 15)	15,906	189	1,404	14,691	-
Compensated absences	121,789	45,396	40,004	127,181	7,327
Claims and judgments (Note 14)	139,658	13,249	27,717	125,190	34,842
Total	<u>\$ 3,578,676</u>	<u>\$ 1,017,079</u>	<u>\$ 769,935</u>	<u>\$ 3,825,820</u>	<u>\$ 195,531</u>
Business-Type Activities					
General obligation bonds	\$ 526,114	\$ 33,737	\$ 42,446	\$ 517,405	\$ 30,190
Revenue bonds	1,901,570	496,910	439,995	1,958,485	68,215
Add: Unamortized premium	138,100	77,230	24,421	190,909	-
Less: Unamortized discount	(2,479)	-	(338)	(2,141)	-
Sub-Total	2,563,305	607,877	506,524	2,664,658	98,405
Direct Placement-Revenue bonds	246,995	-	5,475	241,520	6,605
Total bonds payable	2,810,300	607,877	511,999	2,906,178	105,010
Notes payable to state government	210,290	107,826	22,203	295,913	23,991
Sub-total Debt	3,020,590	715,703	534,202	3,202,091	129,001
Asset Retirement Obligations (Note 15)	17,557	228	-	17,785	-
Reserve for insurance claims payable	27,845	18,492	15,181	31,156	11,422
Estimated liability for landfill closure and post closure care costs (Note 15)	13,221	1,162	1,304	13,079	1,426
Compensated absences	12,462	4,697	4,511	12,648	797
Total	<u>\$ 3,091,675</u>	<u>\$ 740,282</u>	<u>\$ 555,198</u>	<u>\$ 3,276,759</u>	<u>\$ 142,646</u>
Discretely Presented Component Units -					
Board of Water Supply					
Revenue bonds	\$ 206,290	\$ 106,635	\$ 52,435	\$ 260,490	\$ 9,910
Add: Unamortized premium	16,311	6,573	5,828	17,056	-
Total bonds payable	222,601	113,208	58,263	277,546	9,910
Notes payable to state governments	82,287	28,544	7,110	103,721	5,755
Sub-total Debt	304,888	141,752	65,373	381,267	15,665
Compensated absences	6,774	3,413	2,850	7,337	2,850
Customer advances	2,414	10,660	10,725	2,349	-
Accrued workers' compensation	3,849	1,835	882	4,802	1,271
Others	2,738	2,565	1,405	3,898	-
Total	<u>\$ 320,663</u>	<u>\$ 160,225</u>	<u>\$ 81,235</u>	<u>\$ 399,653</u>	<u>\$ 19,786</u>
Honolulu Authority for Rapid Transportation					
Compensated absences	\$ 1,370	\$ 1,512	\$ 1,370	\$ 1,512	\$ 146
Delayed claims	19,500	492	18,000	1,992	1,992
Environmental remediation	8,100	-	8,000	100	100
Total	<u>\$ 28,970</u>	<u>\$ 2,004</u>	<u>\$ 27,370</u>	<u>\$ 3,604</u>	<u>\$ 2,238</u>
Oahu Transit Services, Inc.					
Compensated absences	\$ 8,134	\$ 455	\$ 801	\$ 7,788	\$ 899
Total	<u>\$ 8,134</u>	<u>\$ 455</u>	<u>\$ 801</u>	<u>\$ 7,788</u>	<u>\$ 899</u>

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Fiscal Year Ended June 30, 2020

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 of the City and are a first charge on the General Fund of the City. The requirement of GASB Statement 88 that additional information for each individual issuance (a) unused Letter of Credit; (b) assets pledged as collateral for debt; (c) terms in case of Default: (c-1) terms specified in debt agreements related to significant events of default with finance-related consequences, (c-2) significant termination events with finance-related consequences, (c-3) significant subjective acceleration clauses to be disclosed is not applicable to all the outstanding general obligation bonds. Debt service is paid from the debt service fund. These bonds were issued during the fiscal years 2009 through 2020 in the original amount of \$4.48 billion, less discounts of \$2.0 million and adjusted for premiums of \$579.2 million that are being amortized over the related term of the bonds. These bonds bear interest at 1.8% to 6.5%, and mature serially through fiscal year 2045. General obligation debt authorized but not issued yet amounted to \$1.64 billion at June 30, 2020

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 2009 through 2020 in the original amount of \$826.1 million less a discount of \$162.6 thousand and adjusted for premiums of \$47.2 million, which are being amortized over the related term of the bonds. These bonds bear interest at 2.4% to 3.2% and mature serially through fiscal year 2045

On August 21, 2019, the City issued general obligation bond Series 2019 in the aggregate amount of \$549.0 million. The bonds were comprised of tax exempt Series C, D, E, F, G and taxable H, I, and J.

Series 2019C was issued for \$198.3 million. The bonds mature annually on August 1, 2021 through 2044 and bear interest rates of 3.0% to 5.0%. For the bonds maturing on and after August 1, 2030 through 2044 the City may exercise its option of redemption on or after August 1, 2029 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 2019D was issued for \$57.9 million. The bonds mature annually on August 1, 2020 through 2027 and bear an interest rate of 5.0%. The proceeds of the bonds were used to fund related equipment purchases of the City.

Series 2019E was issued for \$175.5 million. The bonds mature on September 1, 2023 and bear an interest rate of 5.0%. The proceeds of the bonds were used to

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2020

fund equipment costs of the rail project. As provided in Resolution 15-313, HART is required to reimburse the City for payments of principal, interest 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 \$175.5 million as part of 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.

Series 2019F was issued for \$8.1 million. The bonds mature on August 1, 2020 and bear an interest rate of 5.0%. The proceeds of the bonds were used to refund a portion of general obligation bond series 2009F. The refunding was undertaken to reduce total debt payment by \$310.9 thousand and resulted in economic gain of approximately \$301.5 thousand.

Series 2019G was issued for \$9.2 million. The bonds mature annually on August 1, 2023 through 2028 and bear an interest rate of 3.0%. The proceeds of the bonds were used to refund a portion of general obligation bond series 2012D. The refunding was undertaken to reduce total debt payment by \$760.8 thousand and resulted in economic gain of approximately \$661.8 thousand.

Series 2019H, I and J were issued for \$100.0 million. The initial bonds matured on March 1, 2020 and the remaining bonds mature annually on August 1, 2021 through 2027 and bear interest rates from 1.7% to 2.2%. The proceeds of the bonds were used to refund a portion of general obligation bond series 2011B. The refunding was undertaken to reduce total debt payment by \$8.8 million and resulted in economic gain of approximately \$8.2 million.

On March 5, 2020 the City issued general obligation bond Series 2020 in the aggregate amount of \$295.2 million. The bonds were comprised of tax exempt Series A and B.

Series 2020A was issued for \$21.8 million and the bonds mature annually on September 1, 2020 through 2044 and bear interest rates of 2.0% to 5.0%. For the bonds maturing on and after September 1, 2030 through 2044 except for bonds with the maturity date of September 1, 2034, the City may exercise its option of redemption on or after March 1, 2030 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 for the capital costs of the rail project being constructed by the HART and the City pays the costs of the issuance of bonds.

Series 2020B was issued for \$273.4 million and the bonds mature annually on March 1, 2025 through 2031 and bear interest rate of 5.0%. For the bonds maturing on March 1, 2031, the City may exercise its option of redemption on or after March

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

1, 2030 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 the \$350.0 million general obligation bond series 2017H that was issued to fund a portion of the capital costs of the rail project. As provided in Resolution 15-313, HART is required to reimburse the City for payments of principal, interest 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 \$273.5 million as part of 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. The revolving credit agreement for Issue A for \$100.0 million expired on December 21, 2019. A new revolving credit agreement was issued on December 10, 2019 and amended on December 10, 2020 with a stated expiration date of December 8, 2023. The reimbursement agreement for Sub-Issues B-1 and B-2 for \$350.0 million was amended on March 12, 2020 and expires on December 22, 2025. The City has no outstanding obligation as of June 30, 2020. Note 16 discusses the HART executed Memorandum of Understanding (MOU) with the City related to the Commercial Paper Notes.

Revenue Bonds

The BWS had pledged future water revenues, net of specified operating and maintenance expenses, for the security and payment of the water system revenue bonds outstanding. The BWS issued water system revenue bonds during fiscal years 2012 and 2020 in the original amount of \$336.8 million. Water system revenue bonds are subject to redemption on and after specified dates prior to maturity at the option of the BWS. The redemption amount equals the outstanding principal amount plus accrued interest without premium on the date of redemption. The bonds mature serially through July 1, 2049 and bear interest rates of 2.0% to 5.0%. The revenue bonds are collateralized by net revenue of the BWS.

The BWS issues long-term bonds to finance part of its capital improvement program. Their debt to equity ratio has remained fairly constant at 30.5% for fiscal year 2020. 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 2020 the net revenue requirements were met.

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The BWS outstanding revenue bonds contain a provision that in the event of a default the holders of not less than 25% of the bonds may declare the principal and interest due immediately. An event of default includes, but is not limited to the following situations: failure to pay principal and interest due, failure to punctually perform any of the covenants, agreements or conditions of the resolution, and bankruptcy. The BWS has covenanted and agreed to maintain the water system in good repair, to fix rates and charges sufficient to meet the Net Revenue Requirement, not to dispose of the properties comprising the water system, to maintain and keep proper books, and other actions consistent with conducting the business of the water system in an efficient and economical manner.

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 1999 through 2020, in the original amount totaling \$3.53 billion which include direct purchase tax exempt of \$252.5 million, less discounts of \$35.2 million and adjusted for premiums of \$310.4 million, which are being amortized over the related term of the bonds. The bonds bear interest at 2.0% to 6.3%, and mature at various dates through fiscal year 2050.

The Wastewater System Revenue Bonds issued are limited special obligations of the City. The net revenues and all funds and accounts established other than the rebate account, the subordinate obligation account and the reimbursable obligation account and in certain instances, the common reserve account or separate series reserve accounts has been pledged as security for the payment of debt service on the Bonds. In an event of default, the Revenue Bonds contains a provision that the holders of not less than 25% in principal amount of the bonds then outstanding may declare that all the principal and accrued interest to be due and payable immediately. An event of default includes but it is not limited to the following situations, failure to pay principal, redemption price and interest due, failure to punctually perform or observe any of the covenants, agreements or conditions and files a petition in bankruptcy. The City has covenanted and agreed to maintain the wastewater system in good repair, to fix rates and charges sufficient to meet the Net Revenue Requirement, not to dispose of the properties comprising the wastewater system, to maintain and keep proper books, and other actions consistent with conducting the business of the wastewater system in an efficient and economical manner.

On November 6, 2019, the City issued tax exempt Senior Series 2019A and B and Junior Series 2019A and taxable Senior Series 2019C and Junior Series 2019B. The bonds were comprised of tax exempt \$414.1 million and taxable series \$82.8 million with total aggregate amount of \$496.9 million.

Senior Series 2019A was issued for \$216.6 million. The bonds mature annually on July 1, 2020 through 2049 and bear interest rates of 4.0% to 5.0%. For the bonds maturing July 1, 2030 through 2049, the City may exercise its option of redemption on or after July 1, 2029 in whole or in part, at any time in any order of maturity

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selected by the City, and by lot within 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 issued to pay for certain additions and improvements to the wastewater system.

Senior Series 2019B tax exempt was issued for \$174.7 million. The bonds mature annually on July 1, 2020 through 2040 and bear interest rates at 4.0% to 5.0%. For the bonds maturing July 1, 2030 through 2040, the City may exercise its option of redemption on or after July 1, 2029 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 portions of revenue bond Senior Series 2009A, 2009C, 2010B and 2015C. The refunding was undertaken to reduce total debt service payments by \$36.3 million and resulted in economic gain of approximately \$19.9 million.

Senior Series 2019C taxable was issued for \$20.8 million. The bonds mature annually on July 1, 2025 through 2030 and bear interest rates at 2.2% to 2.6%. The proceeds of the bonds along with the release of \$2.3 million of common reserve fund were used to refund a portion of revenue bond Senior Series 2012B. The refunding was undertaken to reduce total debt service payments by \$3.7 million and resulted in economic gain of approximately \$1.0 million.

Junior Series 2019A tax exempt was issued for \$22.8 million. The proceeds of the bonds along with the release of \$3.2 million of common reserve fund were used to refund portions of revenue bond Junior Series 2009A and Junior Series 2015B. The bonds mature annually on July 1, 2020 through 2032 and bear interest rate at 3.0% to 5.0%. For the bonds maturing July 1, 2030 through 2032, the City may exercise its option of redemption on or after July 1, 2029 in whole or in part, at any time in any order of maturity selected by the City, and by lot within maturity at the principal amount thereof, plus interest accrued to the date fixed for redemption thereof, without premium. The refunding was undertaken to reduce total debt service payments by \$4.2 million and resulted in economic gain of approximately \$924.1 thousand.

Junior Series 2019B taxable was issued for \$62.0 million. The proceeds of the bonds along with the release of \$21.5 million of common reserve fund were used to refund a portion of revenue bond Junior Series 2010A. The bonds mature annually on July 1, 2024 through 2028 and bear interest rate at 2.2% to 2.6%. The refunding was undertaken to reduce total debt service payments by \$33.1 million and resulted in economic gain of approximately \$ 8.1 million.

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Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2020 including interest of \$2.62 billion were as follows (amounts in thousands):

Year Ending June 30:	Governmental Activities		Business-Type Activities				Primary Government Total	
	Regular Bonds		Regular Bonds		Direct Placement Bonds		Interest	Principal
	Interest	Principal	Interest	Principal	Interest	Principal		
2021	\$ 146,933	\$ 153,185	\$ 102,395	\$ 98,405	\$ 5,770	\$ 6,605	\$ 255,098	\$ 258,195
2022	135,614	160,077	96,470	104,447	6,471	7,120	238,555	271,644
2023	129,095	157,195	92,374	109,915	6,221	13,445	227,690	280,555
2024	121,423	207,545	88,037	113,370	5,887	14,015	215,347	334,930
2025	112,633	222,903	83,639	111,812	5,544	14,095	201,816	348,810
2026-2030	406,150	1,128,699	346,852	590,757	21,437	89,680	774,439	1,809,136
2031-2035	185,964	620,141	228,844	514,279	7,393	96,560	422,201	1,230,980
2036-2040	77,048	385,233	125,179	430,877	-	-	202,227	816,110
2041-2045	16,290	174,262	53,675	269,713	-	-	69,965	443,975
2046-2050	-	-	10,389	132,315	-	-	10,389	132,315
Total	\$ 1,331,150	\$ 3,209,240	\$ 1,227,854	\$ 2,475,890	\$ 58,723	\$ 241,520	\$ 2,617,727	\$ 5,926,650

Year Ending June 30:	Component Unit	
	BWS	
	Interest	Principal
2021	\$ 8,964	\$ 9,910
2022	9,331	11,065
2023	8,831	11,750
2024	8,277	12,520
2025	7,693	13,090
2026-2030	30,218	73,645
2031-2035	15,676	71,870
2036-2040	5,876	28,880
2041-2045	3,626	15,650
2046-2050	740	12,110
Total	\$ 99,232	\$ 260,490

Notes Payable

The primary government notes payable to state government are mainly for the construction of necessary treatment works and for other projects intended for wastewater reclamation or waste management. The majority of the notes are state revolving fund loans from the State of Hawaii, Department of Health (DOH). They are collateralized by the City's wastewater net revenue. The outstanding loans contain a provision that in the event of default, the Director of the DOH shall be entitled to collect a rate of twelve per cent (12%) simple interest per year commencing on the first day the repayment due date and ending on the date of the check or warrant issued by the City. A default is deemed to exist if repayment of loan fees or current loans are not paid when due, if the City fails to fulfill its obligation or it becomes financially insolvent. The City covenanted that it shall exercise its revenue bonds, revenue, assessment and other authority as needed to the extent allowed by law, to pay the semiannual repayments and loan fees. The

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notes amounted to \$296.4 million at June 30, 2020, bear interest at 0.0% to 3.0%, and require annual principal and interest payments through fiscal year 2042.

The BWS notes payable to the DOH are state revolving fund loans. They are collateralized by net water revenue. The BWS outstanding state revolving loans contain a provision that in the event of default the outstanding amounts become due immediately with the consent of the majority of the holders of the BWS' revenue bonds. An event of default includes, but is not limited to, the following situations: failure to pay the principal and interest due, failure to punctually perform any of the covenants, agreements or conditions of the resolution, and bankruptcy. The BWS has covenanted and agreed to maintain the water system in good repair, to fix rates and charges sufficient to meet the Net Revenue Requirement, not to dispose of the properties comprising the water system, to maintain and keep proper books, and other actions consistent with conducting the business of the water system in an efficient and economical manner. The notes amounted to \$103.7 million at June 30, 2020, bear interest at 1.0% to 5.0% and require annual principal and interest payments through fiscal year 2040.

Annual debt service requirements to maturity for the City's primary government and component units for notes payable from direct borrowings at June 30, 2020 including interest of \$24.3 million were as follows (amounts in thousands):

Year Ending June 30:	Primary Government		BWS	
	Interest	Principal	Interest	Principal
2021	\$ 2,671	\$ 24,168	\$ 266	\$ 5,755
2022	2,500	24,508	265	5,885
2023	2,286	25,546	245	5,938
2024	2,069	25,579	225	5,992
2025	1,852	25,708	203	6,047
2026-2030	6,332	93,525	764	30,096
2031-2035	3,018	47,274	413	29,129
2036-2040	1,063	26,448	107	14,879
2041-2045	42	3,610	-	-
Total	\$ 21,833	\$ 296,366	\$ 2,488	\$ 103,721

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

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included in the City's basic financial statements. At June 30, 2020, \$1.11 billion of the City's and \$43.6 million of the Board of Water Supply's bonds outstanding were considered defeased.

9. Net Position

At June 30, 2020, 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	\$ 3,182,685	\$ 4,344,607
Add (Less):		
General obligation bonds payable, net	(2,769,584)	(531,399)
Revenue bonds payable, net	-	(2,374,779)
Notes payable and other long-term debt	(453)	(295,913)
Deferred loss on refunding	79,655	89,426
Amount of debt related to unspent debt proceeds	114,216	296,183
	606,519	1,528,125
Restricted for Debt Service	799,772	181,860
Unrestricted	(3,680,880)	915,346
Total net position	\$ (2,274,589)	\$ 2,625,331

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

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class provides for reduced benefits and covers most eligible employees hired starting July 1, 1984. Employees hired before that date were allowed to continue under the contributory class or to elect the new noncontributory class and receive a refund of employee contributions. In 2004, legislation was enacted to create a hybrid retirement class, which took effect July 1, 2006. Employees in the contributory and noncontributory class were given the option to join the hybrid class or to remain in their existing class effective July 1, 2006. Starting July 1, 2006, all new employees covered by social security are required to join the hybrid class.

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 (SLH 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, 2020 were as follows (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Pension Contributions	<u>\$ 212,694</u>	<u>\$ 11,450</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.hawaii.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.

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

Annual contributions, determined as a percentage of covered payroll is approximately 59.0%. Contributions to the plan were \$5.4 million for the fiscal year ended June 30, 2020.

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, 2021 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 \$19.6 million for the fiscal year ended June 30, 2020. The payable to the pension plan was \$1.4 million as of June 30, 2020. The WCT Plan issues a publicly available financial report that may be obtained by writing to Western Conference of Teamsters Pension Trust Fund Board of Trustees, 2323 Eastlake Avenue East, Seattle, Washington 98102-3305.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions – At June 30, 2020 the City reported net pension liability as shown below (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Net Pension Liability	\$ 2,665,559	\$ 159,810

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The net pension liability for the City and component units, BWS and HART, was measured as of June 30, 2019, 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, 2019, and the reporting date, June 30, 2020, that are expected to have a significant effect on the proportionate share of the net pension liability. At June 30, 2019 the City, BWS and HART proportions were as shown below:

	Primary Government	Component Units
Proportionate Share of Pension Liability	18.81%	0.99%
Increase in Proportionate Share from June 30, 2018	0.61%	-0.10%

The net pension liability for the OTS single-employer pension plan was measured as of February 29, 2020 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, 2020, the City recognized pension expense as follows (amounts in thousands):

	Primary Government	Component Units
Pension Expense	\$ 442,597	\$ 25,635

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At June 30, 2020, 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	\$ 131,727	\$ (2,169)	\$ 4,555	\$ (414)
Net difference between projected and actual earnings on pension plan investments	-	(6,987)	520	(386)
Changes of assumptions	183,776	(2,104)	14,417	(600)
Changes in proportion and difference between contributions and proportionate share of contributions	77,283	(40,125)	3,815	(10,918)
Contributions subsequent to the measurement date	198,604	-	12,815	-
	<u>\$ 591,390</u>	<u>\$ (51,385)</u>	<u>\$ 36,122</u>	<u>\$ (12,318)</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>\$ 198,604</u>	<u>\$ 12,815</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:		
2021	\$ 171,691	\$ 6,978
2022	85,679	2,792
2023	38,657	679
2024	37,800	15
2025	7,574	(47)
Thereafter	-	572
	<u>\$ 341,401</u>	<u>\$ 10,989</u>

Actuarial Assumptions –

Hawaii Employees' Retirement System – The actuarial assumptions used in the June 30, 2019 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, 2019 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%
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 2019 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 long-term strategic allocation policy which incorporates a risk-based functional allocation framework. The long-term expected rate of return on pension plan investments was determined using this new framework. The target allocation and best estimates of geometric rates of return for each risk based class are summarized in the following table:

Strategic Allocation (Risk Based Classes)	Target Allocation	Long-Term Expected Geometric Rate of Return
Broad Growth	63.00%	7.65%
Principal Protection	7.00%	3.00%
Real Return	10.00%	4.55%
Crisis Risk Offset	20.00%	5.15%
	<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	\$ 3,507,090	\$ 2,665,559	\$ 2,059,673
Component Units (BWS and HART)	\$ 182,478	\$ 140,652	\$ 110,536

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, 2019 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://ers.ehawaii.gov/resources/financials>.

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Actuarial Assumptions

OTS Single Employer Pension Plan - The total pension liability in the February 29, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates are based on the RPEC2014 v2019 fully generational mortality model for Non-Annuitant and Annuitant Males and Females, as appropriate, with adjustments for mortality improvements based on the Mortality Projection Scale MP-2019.

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 2020 to 2065. Additionally, best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are arithmetically developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability for the City’s component unit, OTS, calculated using the single discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a single discount rate that is one-

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percentage point lower or one-percentage-point higher than the current rates (amounts in thousands):

	Net Pension Liability		
	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
	\$	\$	\$
Component Unit (OTS)	21,688	19,158	16,919

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, 2020 the City reported payables to the pension plans as follows (amounts in thousands):

	Primary Government	Component Units
Pension Payable	\$ 43,030	\$ 1,906

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 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

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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 is negotiated by the State and counties with the exclusive 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.

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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 and vision benefits for retirees and their dependents. The non-bargaining plan also provides dental benefits for retirees. 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:

	Primary Government	Component Units
Inactive plan members or beneficiaries currently receiving benefits	7,484	1,134
Inactive plan members entitled to but not yet receiving benefits	904	65
Active plan members	8,585	2,535
Total	<u>16,973</u>	<u>3,734</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 and are equal to the amount of the annual required contribution as determined by an actuary. 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. 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.

On October 13, 2020, the Governor of the State of Hawaii issued the Fourteenth Supplementary Proclamation to suspend specific provisions of the law. Included in the proclamation were Sections 87A-42(b) – (f), HRS, other postemployment benefits trust, 87A-43, HRS, payment of public employer contributions to the other postemployment benefit trust, and 237-31(3), HRS, remittances, related to the requirement for public employers to pay the annual required contribution to the EUTF in fiscal year 2021.

OPEB contributions were as follows for the fiscal year ended June 30, 2020 (amounts in thousands):

	Primary Government	BWS and HART
OPEB Contributions	\$ 183,677	\$ 8,955

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

<u>Division</u>	<u>Period</u>	<u>Fixed Rate per Straight-Time Hour</u>
Bus Operations	July 1, 2017 to December 31, 2018	\$0.85
	January 1, 2019 to June 30, 2020	1.00
	July 1, 2020 to June 30, 2021	1.08
Paratransit Operations	January 1, 2012 to December 31, 2019	0.20
	January 1, 2020 to March 31, 2020	0.30
	April 1, 2020 to March 31, 2021	1.08

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, 2020 amounted to approximately \$4.6 million.

Net OPEB Liability

The actuarial valuation and measurement dates for the net OPEB liability were July 1, 2019 for the City, BWS and HART, and June 30, 2020 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, 2020, the following amounts (in thousands) were reported as net OPEB liability:

	<u>Primary Government</u>	<u>Component Units</u>
Net OPEB Liability	\$ 1,871,583	\$ 357,623

Actuarial assumptions and methods – City, BWS and HART - The total OPEB liability reflected in the actuarial valuation report as of July 1, 2019 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, 2018 as conducted for the Hawaii Employees' Retirement System (ERS)
Mortality	System-specific mortality tables utilizing scale BB to project

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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 8.0%, declining to a rate of 4.86% after 12 years
HMO*	Initial rate of 8.0%, declining to a rate of 4.86% after 12 years
Part B and BMC (Base Monthly Contribution)	Initial rates of 5.0%, declining to a rate of 4.7% after 11 years
Dental	Initial rate of 5.0% for the first two years, followed by 4.0%
Vision	Initial rate of 0.0% for the first two years, followed by 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, 2020, 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:

Inflation	3.0%
Salary Increases	3.0%

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 2020 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private Equity	10.0%	8.8%
U.S. Microcap	7.0%	7.3%
U.S. Equity	15.0%	5.4%
Non-U.S. Equity	17.0%	6.9%
Global Options	7.0%	4.8%
Core Real Estate	10.0%	3.9%
Private Credit	6.0%	5.6%
Core Bonds	3.0%	1.5%
TIPS	5.0%	1.2%
Long Treasuries	6.0%	2.0%
Alternative Risk Premia	5.0%	2.8%
Trend Following	9.0%	3.3%
Total	<u>100.0%</u>	

Discount rate – OTS – The discount rate used to measure the total OPEB liability was 2.7%. 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 S&P "Municipal Bond 20 Year High Grade Rate ") at the prior measurement date of June 30, 2019 was 2.8%.

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Changes in Net OPEB Liability - The following table presents the fiscal year 2020 changes in net OPEB liability (amounts in thousands) with measurement dates for the net OPEB liability of June 30, 2019 for the City, BWS and HART, and June 30, 2020 for OTS:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Primary Government:			
Beginning balances	\$ 2,357,482	\$ (466,531)	\$ 1,890,951
Changes for the year:			
Service cost	45,916	-	45,916
Interest on the total OPEB liability	163,723	-	163,723
Difference between expected and actual experience	(9,001)	-	(9,001)
Changes of assumptions	16,226	-	16,226
Employer contributions	-	(177,331)	(177,331)
Net investment income	-	(22,566)	(22,566)
Benefit payments	(83,074)	83,074	-
Administrative expense	-	169	169
Other	-	(36,504)	(36,504)
Net changes	133,790	(153,158)	(19,368)
Ending balances	<u>\$ 2,491,272</u>	<u>\$ (619,689)</u>	<u>\$ 1,871,583</u>
Component Units:			
Beginning balances	\$ 411,140	\$ (80,965)	\$ 330,175
Changes for the year:			
Service cost	14,092	-	14,092
Interest on the total OPEB liability	18,043	-	18,043
Difference between expected and actual experience	(14,506)	-	(14,506)
Changes of assumptions	29,160	-	29,160
Employer contributions	-	(8,755)	(8,755)
Net investment income	-	(3,505)	(3,505)
Benefit payments	(10,692)	6,066	(4,626)
Administrative expense	-	25	25
Other	-	(2,480)	(2,480)
Net changes	36,097	(8,649)	27,448
Ending balances	<u>\$ 447,237</u>	<u>\$ (89,614)</u>	<u>\$ 357,623</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 2.7% 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 1.7% for OTS) or one percent higher than the current rate (that is, 8.0% for the City, BWS and HART, and 3.7% for OTS) as shown below (amounts in thousands):

	Net OPEB Liability		
	Current Discount		
	1.0% Decrease	Rate Assumption	1.0% Increase
Primary Government	\$ 2,263,657	\$ 1,871,583	\$ 1,563,250
Component Units	437,381	357,623	294,735

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 Cost Trend		
	1.0% Decrease	Rate Assumption	1.0% Increase
Primary Government	\$ 1,552,869	\$ 1,871,583	\$ 2,282,236
Component Units	290,315	357,623	444,551

OPEB Expense, and Deferred Outflows and Deferred Inflows of Resources Related to OPEB – For the fiscal year ended June 30, 2020, OPEB expense was recognized as follows (amounts in thousands):

	Primary Government	Component Units
OPEB Expense	\$ 138,272	\$ 27,409

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At June 30, 2020, 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	\$ -	\$ (31,296)	\$ 22,671	\$ (19,571)
Changes in assumptions	34,417	-	39,211	(105)
Net difference between projected and actual earnings on investments	5,683	-	1,081	-
Contributions subsequent to measurement date	183,677	-	8,955	-
Total	\$ 223,777	\$ (31,296)	\$ 71,918	\$ (19,676)

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, 2020 as follows (amounts in thousands):

	Primary Government	Component Units
Subsequent Contributions	\$ 183,677	\$ 8,955

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
2021	\$ 917	\$ 4,742
2022	917	4,742
2023	2,664	5,046
2024	3,264	4,851
2025	1,042	4,251
Thereafter	-	19,655
Total	\$ 8,804	\$ 43,287

Payable to the OPEB Plans – At June 30, 2020, OTS reported a payable of \$2.0 million for the outstanding amount of required contributions to the OPEB plans for the year ended June 30, 2020. The City, BWS, and HART did not report a payable to the OPEB plan for the year ended June 30, 2020.

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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, 2020, the City had \$24.7 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, 2020 these assets amounted to \$20.1 million.

Sewer Fund

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

Restricted Assets – Certain cash balances held in separate accounts are classified as restricted assets. Restricted cash include amounts reserved for debt service. At June 30, 2020, these assets amounted to \$64.2 million. 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, 2020, these assets amounted to \$302.8 million.

Solid Waste Special Fund

The Solid Waste Special Fund accounts for the following activities related to the operations of the Refuse Division:

- The City's refuse collection and disposal operations, which are funded primarily through General Fund subsidies.
- The recycling program revenues assessed as 12.0% of refuse disposal charges and are expended for the establishment, operation, management and expansion of the City's recycling programs, including programs for waste reduction, development of recycling markets and recycling awareness.

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- 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, 2020 these assets amounted to \$16.4 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.

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, 2020, the City had \$353.3 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, 2019 to June 30, 2020 was approximately \$469.0 thousand. In July 2010, the agreement between OTS and the City was extended. The extension provides for the City to pay OTS approximately \$117.0 thousand per quarter beginning with the quarter ended September 30, 2010, until a new management and operations agreement is executed.

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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, 2020, these assets held by OTS amounted to \$961.0 thousand.

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

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, 2020, there is no cost of equipment recorded under capital lease arrangements.

Future minimum obligations under operating leases at June 30, 2020 were as follows (amounts in thousands):

Year Ending June 30:	Operating Leases
2021	\$ 4,143
2022	3,886
2023	3,859
2024	3,647
2025	3,231
2026-2030	6,085
2031-2035	100
2036-2040	60
2041-2045	50
2046-2050	50
2051-2052	20
Total minimum payments	<u>\$ 25,131</u>

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Certain leases provide for payment of common area charges and for periodic renegotiation of rents. Rent expense under operating leases, principally recorded in the General Fund, amounted to \$8.3 million for the fiscal year ended June 30, 2020.

The City leases to others concession rights and real property under operating leases, which expire at various dates through fiscal 2060. 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	(39,787)	7,151
Totals	<u>\$ 49,880</u>	<u>\$ (39,787)</u>	<u>\$ 10,093</u>

Future minimum rental incomes under such leases at June 30, 2020 were as follows (amounts in thousands):

Year Ending June 30:

2021	\$ 1,236
2022	1,296
2023	1,098
2024	1,084
2025	1,007
2026 - 2030	4,604
2031 - 2035	3,770
2036 - 2040	3,419
2041 - 2045	3,365
2046 - 2050	2,833
2051 - 2055	2,132
2056 - 2060	750
Total minimum rental income	<u>\$ 26,594</u>

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Other Commitments and Encumbrances

Contractual commitments for capital projects, expenses and supplies at June 30, 2020 are encumbered in the governmental and fiduciary funds and are in thousands as follows:

Governmental Funds:	
Major Governmental Funds:	
General Fund	\$ 110,176
Highway Fund	21,463
Federal Grant Fund	375,123
Total Major Funds	<u>506,762</u>
Nonmajor Funds - Other Governmental Funds	623,621
Fiduciary Funds	<u>39</u>
Total	<u>\$ 1,130,422</u>

Contractual commitments of the business-type activities including the component units, which do not employ encumbrance accounting, are primarily for construction contracts and are as follows in thousands at June 30, 2020:

Proprietary Funds:	
Housing	\$ 19
Sewer	776,891
Solid Waste	126,815
Public Transportation System	13,413
Total Proprietary Funds	<u>917,138</u>
Component Units:	
Board of Water Supply	334,971
Honolulu Authority for Rapid Transportation	1,460,000
Total Component Units	<u>1,794,971</u>
Total Business-Type Activities including Component Units	<u>\$ 2,712,109</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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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, 2020, the estimated total liability of the City for claims and judgments amounted to \$125.2 million, which included claims incurred but not reported by the claimant and settled claims for which funds have not yet been appropriated. The estimated total liability has been determined through case-by-case analysis and from actuary studies performed by independent third parties. Expenditures for claims and judgments are appropriated annually. In the opinion of management, the City has adequately reserved for such claims.

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

	Automobile and General Liability	Workers' Compensation	Total
Balance at June 30, 2018	\$ 50,081	\$ 80,749	\$ 130,830
Add, Incurred losses and loss adjustment expenses	20,417	20,100	40,517
Less, Payments	<u>(6,706)</u>	<u>(24,983)</u>	<u>(31,689)</u>
Balance at June 30, 2019	63,792	75,866	139,658
Add, Incurred losses and loss adjustment expenses	(9,791) *	23,040	13,249
Less, Payments	<u>(2,995)</u>	<u>(24,722)</u>	<u>(27,717)</u>
Balance at June 30, 2020	<u>\$ 51,006</u>	<u>\$ 74,184</u>	<u>\$ 125,190</u>

*Due to significant decrease in the City unpaid estimates of reserve for losses.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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 \$13.1 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2020 represents the cumulative amount reported to date based on the percentage of the estimated capacity used for the landfills (amounts in thousands). Actual costs may differ from estimates if additional postclosure care requirements are determined (due to inflation or deflation, changes in technology, or changes in applicable laws or regulations).

Schedule of Solid Waste Special Fund Liability

	Capacity Used	Closure Date	Liability at June 30, 2020	Total Estimated Cost
Waipahu incinerator landfill	100.0%	October 1991	\$ 5,412	\$ 27,302
Kapaa sanitary landfill	100.0%	May 1997	7,667	22,121
Total			<u>\$ 13,079</u>	<u>\$ 49,423</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 \$11.7 million is included in estimated liability for landfill closure and postclosure care costs.

For fiscal year 2020, 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, 2020 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, 2020 the estimated capacity used is 74.1% and the estimated remaining life of the landfill is 15.3 years. The total closure and postclosure costs, estimated at \$56.0 million, have not been recognized since the operator is responsible for all closure and postclosure through 2024.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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 estimated costs of, in 2015 dollars, \$16.1 million. Construction of the solar building was completed in fiscal year 2019 while construction of the solar power system was substantially completed in May 2020. The City is required to operate the solar power system for at least 3 years following construction completion.

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 Wastewater Treatment Plants (WWTP) and other facilities operated by the City are governed either by National Pollutant Discharge Elimination System (NPDES) permits or by the State's Department of Health (DOH) Underground Injection Control or Wastewater Management Permits or Clean Air Branch Covered Source and Non-Covered Source Permits.

The City is contesting certain conditions for the Waianae WWTP NPDES permit. The matter is currently pending before the Intermediate Court of Appeals on a procedural issue.

In addition, during the course of operating the Wastewater System, occasional events of non-compliance with other permits, laws, and regulations occur, including:

- Wastewater spills, which are subject to reporting pursuant to the NPDES permits, the 2010 Consent Decree described below, and DOH regulations.
- Exceedance of interim effluent limits set forth in the 2010 Consent Decree for the Sand Island and Honouliuli WWTPs, which are reported monthly with the discharge monitoring reports for the plants.
- Exceedance of effluent limits set forth in the NPDES permits for the WWTPs, which are reported monthly with the discharge monitoring reports for the plants.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

- On November 26, 2014, DOH issued a Notice of Apparent Violation regarding the City's pretreatment program. The City responded on March 6, 2015.
- On August 11, 2020, DOH issued a Notice of Apparent Violation and Request for Information regarding the City's Honouliuli WWTP. The City responded on September 10, 2020.
- No other incident of noncompliance is subject to existing or threatened enforcement.

The City is complying with the terms of a consent decree (the 2010 Consent Decree) entered by the United States District Court in Hawaii to settle certain previous environmental lawsuits relating to the Wastewater System. The Court retains continuing jurisdiction to enforce the 2010 Consent Decree. The following is a brief discussion of the 2010 Consent Decree and the City's obligations thereunder.

The 2010 Consent Decree, approved by the Environmental Protection Agency (EPA), DOH, the Sierra Club, Hawaii Chapter, Our Children's Earth Foundation, and Hawaii's Thousand Friends, was entered by the United States District Court in Hawaii. Three previous environmental lawsuits were dismissed. The City's appeal of the EPA's January 2009 final decisions denying the City's applications to renew its permit variances from secondary treatment for the Honouliuli and Sand Island WWTP was dismissed on February 2, 2011. The 2010 Consent Decree allows 10 years for completion of work on the collection system, 14 years for the upgrade of the Honouliuli WWTP to secondary treatment, and up to 25 years, with the possibility of a three-year extension, for the upgrade of the Sand Island WWTP to secondary treatment. The City is expected to incur approximately \$3.2 billion in 2010 dollars in capital costs through fiscal year 2020 (which coincides with the term of the collection system portion of the consent decree). This amount will largely be spent on the collection system, and much of it will go toward work that was already required or planned. This amount also includes a portion of the costs of treatment plant upgrades at Sand Island and Honouliuli. Costs for the treatment plant upgrades include approximately \$550 million to replace primary treatment facilities at both plants and \$1.15 billion to upgrade the plants to secondary treatment plants. As part of the settlement, the City paid a civil penalty in the amount of \$800,000 to the United States, and \$800,000 to the State. In addition, the City paid \$800,000 to the Sierra Club, Hawaii Chapter, Our Children's Earth Foundation, and Hawaii's Thousand Friends, to fund four supplemental environmental projects. Honouliuli WWTP and Sand Island WWTP upgrades are expected to be completed by 2024 and 2035, respectively.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

The 2010 Consent Decree became effective upon its entry by the Court on December 17, 2010. The City also settled the nonprofit organizations' claim for their attorneys' fees and costs, for an additional payment of \$1.1 million.

The 2010 Consent Decree was amended on March 27, 2012. This amendment modified the 2010 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. This amendment also allowed for non-material time extensions and modifications on projects under the 2010 Consent Decree by written agreement with the United States, the State, and the City. On July 15, 2020, the U.S. Department of Justice, the State, and the City entered into an agreement to extend the completion of the single remaining collection system project, SI-CS-10, to August 31, 2021. The City is on track to meet this deadline.

On March 13, 2017, the City and DOH voluntarily entered into an Administrative Order on Consent (2017 Administrative Order on Consent) to resolve all liability of the City for certain 2015 wastewater spills. The City made no admissions as to fact, violation, fault, or liability in entering the 2017 Administrative Order on Consent. On August 6, 2020, DOH issued a letter confirming that the City has complied with all requirements of the 2017 Administrative Order on Consent, and accordingly closed that administrative action.

Pending Wastewater System Litigation - The City and the Department of Environmental Services generally are self-insured with respect to general liability claims. In the Fiscal Year ended June 30, 2020, the Department reached settlements of lawsuits and claims related to the Wastewater System and paid with Judgment, Settlements and Losses general funds of \$15.5 million.

The City's Corporation Counsel is of the opinion that the expected liability arising out of the pending litigation would not constitute a material impairment of the City's financial position.

Asset Retirement Obligation (ARO)

Current laws and regulations require the City to take specific actions when retiring underground storage tanks. The City accounts for certain costs associated with the future removal of underground storage tanks and restoring the area to original conditions in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*. The City has multiple underground storage tanks with a capacity ranging from 250 to 15,000 gallons. The State of Hawaii's Department of Health requires the City to take specific steps relating to permanent closure of underground storage tanks. Based on contract estimates, the City's ARO for underground storage tanks was approximately \$32.5 million as of June 30, 2020, with tanks having a remaining useful life ranging from 0 to 24 years.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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 \$2.7 million for the fiscal year ended June 30, 2020. 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, 2020, 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 an annual advance payments to BWS. At June 30, 2020, a balance of approximately \$2.5 million 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 2027. Delay claim settlements are normally

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

negotiated during the contract-out process. As such, potential settlement amounts may total approximately \$160.0 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, 2020, CASE fees amounted to \$1.0 million.

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 (HRTTP). HART consented to the establishment of a Project Bond Reserve Account (PBRA) in the City’s 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 B with a credit limit of \$350.0 million for any temporary cash shortages to complete the HRTTP. The City, as at June 30, 2020, has no outstanding obligation.

On August 21, 2019, the City successfully sold \$175.5 million tax exempt general obligation bonds. The proceeds of the bonds were used to fund equipment costs of the rail project.

On March 5 2020, the City successfully sold \$273.5 million tax exempt general obligation bonds. The proceeds of the bonds were used to refund the \$350.0 million general obligation bond series 2017H issued that funded HART’s ongoing capital needs.

Per Section 3.06 of the MOU, as of June 30, 2020, \$62.9 million was deposited into the PBRA and an aggregate total of \$725.8 million is reported as advances from the City.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2020

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, 2020, the City's reimbursement to OTS for personnel costs totaled \$203.1 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, 2020

17. Subsequent Events

On August 5, 2020, the City issued general obligation bonds, tax exempt series 2020C, 2020D and 2020E in the aggregate amount of \$279.3 million. The Series 2020C bonds maturing on or after July 1, 2031 are subject to redemption, at the option of the City on or after July 1, 2030, in whole or in part at any time. The Series 2020D and 2020E bonds are not subject to redemption prior to maturity. The bond proceeds will be used to fund certain capital improvement projects and purchase of equipment.

<u>Bonds Series</u>	<u>Range of interest rates</u>	<u>Mature Annually July 1,</u>	<u>Par Amount (in thousands)</u>
2020C	3.00% - 5.00%	2021 - 2045	\$ 184,110
2020D	5.00%	2021 - 2028	54,060
2020E	0.04%-2.72%	2021 - 2045	41,155
Total Par Amount			<u><u>\$ 279,325</u></u>

On September 3, 2020 the City issued general obligation bonds, tax exempt series 2020F for \$67.0 million. The bonds mature annually on July 1, 2021 through July 1, 2035 and bear an interest rate of 5.0%. The series maturing on and after July 1, 2031 are subject to redemption, at the option of the City on or after July 1, 2030 in whole or in part at any time. The bond proceeds were used to refund certain outstanding general obligation bonds previously issued by the City.

On December 29, 2020 the City issued wastewater system revenue bonds, taxable Senior Series 2020A in the amount of \$273.7 million. The bonds mature annually on July 1, 2023 through July 1, 2045 and bear interest rates of 0.3% to 2.6%. The bond proceeds will be used to refund certain outstanding wastewater system revenue bonds previously issued by the City.

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,424,632	\$ 1,424,632	\$ 1,447,893	\$ 23,261
Licenses and permits	46,767	46,767	43,757	(3,010)
Intergovernmental	45,490	45,490	37,902	(7,588)
Charges for services	7,567	7,567	6,970	(597)
Fines and forfeits	771	771	1,017	246
Miscellaneous:				
Recoveries	56,188	56,188	51,468	(4,720)
Interest	14,564	14,564	16,779	2,215
Other	2,450	2,450	8,374	5,924
Total Revenues	<u>1,598,429</u>	<u>1,598,429</u>	<u>1,614,160</u>	<u>15,731</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	19,042	20,236	19,036	1,200
City Clerk	4,750	4,750	3,637	1,113
City Council	7,837	7,837	6,453	1,384
Corporation Counsel	12,328	12,815	12,264	551
Customer Services	24,176	25,129	24,281	848
Design and Construction	14,777	15,884	14,919	965
Emergency Services	1,073	1,164	1,045	119
Facility Maintenance	29,278	30,548	28,192	2,356
Human Resources	7,213	7,372	6,848	524
Information Technology	30,206	30,969	29,552	1,417
Land Management	3,178	3,920	3,703	217
Mayor	6,669	6,827	6,554	273
Office of the City Auditor	3,929	3,931	1,717	2,214
Office of Council Services	2,834	2,834	2,334	500
Planning and Permitting	21,438	22,620	20,522	2,098
Prosecuting Attorney	20,896	22,630	22,099	531
Total General government	<u>209,624</u>	<u>219,466</u>	<u>203,156</u>	<u>16,310</u>
Public safety:				
Emergency Management	1,896	1,960	1,372	588
Emergency Services	56,076	57,153	54,185	2,968
Fire	141,353	141,354	137,419	3,935
Medical Examiner	2,854	3,077	2,975	102
Planning and Permitting	5,668	7,071	6,968	103
Police	284,354	289,685	281,217	8,468
Transportation Services	2,424	2,424	1,578	846
Total Public safety	<u>494,625</u>	<u>502,724</u>	<u>485,714</u>	<u>17,010</u>
Highways and streets:				
Facility Maintenance	26,292	26,725	24,484	2,241
Sanitation:				
Environmental Services	143	543	535	8

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Human services:				
Community Services	24,215	25,392	24,018	1,374
Culture-recreation:				
Mayor	2,558	2,684	2,592	92
Parks and Recreation	105,518	109,245	94,926	14,319
Total Culture-recreation	108,076	111,929	97,518	14,411
Utilities or other enterprises:				
Transportation Services	4,996	5,546	4,429	1,117
Miscellaneous:				
Retirement and health benefits:				
City Council	4,882	4,882	4,728	154
Provisional	411,827	411,827	361,214	50,613
Total Retirement and health benefits	416,709	416,709	365,942	50,767
Other:				
City Council	285	283	--	283
Provisional	77,708	53,356	29,536	23,820
Total Other	77,993	53,639	29,536	24,103
Total Miscellaneous	494,702	470,348	395,478	74,870
Capital improvements:				
General government	392	392	236	156
Culture-recreation	11	11	--	11
Capital improvements	403	403	236	167
Total Expenditures	1,363,076	1,363,076	1,235,568	127,508
Revenues over Expenditures	235,353	235,353	378,592	143,239
Other Financing Sources (Uses):				
Transfers in	193,643	193,643	190,928	(2,715)
Transfers out	(611,651)	(611,651)	(605,358)	6,293
Total Other Financing Sources (Uses)	(418,008)	(418,008)	(414,430)	3,578
Net change in Fund Balance	(182,655)	(182,655)	(35,838)	146,817
Encumbrances	--	--	110,176	110,176
Fund Balance - July 1	188,921	188,921	293,987	105,066
Fund Balance - June 30	<u>\$ 6,266</u>	<u>\$ 6,266</u>	<u>\$ 368,325</u>	<u>\$ 362,059</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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 98,832	\$ 98,832	\$ 96,115	\$ (2,717)
Licenses and permits	190,504	190,504	181,983	(8,521)
Charges for services	5,302	5,302	5,005	(297)
Fines and forfeits	15	15	7	(8)
Miscellaneous:				
Recoveries	2,424	2,424	2,579	155
Other	2,253	2,253	1,261	(992)
Total Revenues	<u>299,330</u>	<u>299,330</u>	<u>286,950</u>	<u>(12,380)</u>
Expenditures:				
Current:				
General government:				
Design and Construction	8,046	8,479	7,892	587
Facility Maintenance	15,705	15,985	15,596	389
Planning and Permitting	2,295	2,668	2,655	13
Total General government	<u>26,046</u>	<u>27,132</u>	<u>26,143</u>	<u>989</u>
Public safety:				
Police	27,200	27,280	26,533	747
Transportation Services	10,026	10,201	9,320	881
Total Public safety	<u>37,226</u>	<u>37,481</u>	<u>35,853</u>	<u>1,628</u>
Highways and streets:				
Facility Maintenance	32,583	34,765	32,596	2,169
Utilities or other enterprises:				
Transportation Services	10,691	11,151	10,277	874
Miscellaneous:				
Retirement and health benefits:				
Provisional	45,449	45,449	40,558	4,891
Other:				
Provisional	9,973	5,990	2,274	3,716
Total Miscellaneous	<u>55,422</u>	<u>51,439</u>	<u>42,832</u>	<u>8,607</u>
Capital improvements:				
General government	834	834	572	262
Total Capital improvements	<u>834</u>	<u>834</u>	<u>572</u>	<u>262</u>
Total Expenditures	<u>162,802</u>	<u>162,802</u>	<u>148,273</u>	<u>14,529</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over Expenditures	136,528	136,528	138,677	2,149
Other Financing Source (Use):				
Sales of capital assets	212	212	522	310
Transfers out	(167,809)	(167,809)	(165,984)	1,825
Total Other Financing Source (Use)	(167,597)	(167,597)	(165,462)	2,135
Net change in Fund Balance	(31,069)	(31,069)	(26,785)	4,284
Encumbrances	--	--	21,463	21,463
Fund Balance - July 1	31,069	31,069	42,153	11,084
Fund Balance - June 30	\$ --	\$ --	\$ 36,831	\$ 36,831

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 1 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 41,253	\$ 449,566	\$ 103,906	\$ (345,660)
Miscellaneous:				
Interest	--	--	100	100
Other	988	988	6	(982)
Total Revenues	42,241	450,554	104,012	(346,542)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	1,008	6,758	6,155	603
City Clerk	--	37	37	--
City Council	--	75	75	--
Corporation Council	--	200	200	--
Customer Services	--	1,129	1,129	--
Design and Construction	1,467	1,507	1,492	15
Facility Maintenance	--	3,600	3,600	--
Human Resources	--	500	500	--
Information Technology	67	837	778	59
Land Management	--	705	705	--
Mayor	--	84,567	84,567	--
Office of the City Auditor	--	38	38	--
Office of Council Services	--	20	20	--
Planning and Permitting	291	713	676	37
Prosecuting Attorney	1,111	3,271	2,932	339
Total General government	3,944	103,957	102,904	1,053
Public safety:				
Emergency Management	726	58,873	54,248	4,625
Emergency Services	--	41,830	41,830	--
Fire	111	22,237	22,184	53
Medical Examiner	--	223	102	121
Police	4,519	82,220	72,281	9,939
Transportation Services	2,919	5,184	5,064	120
Total Public safety	8,275	210,567	195,709	14,858
Highways and streets:				
Facility Maintenance	--	62	62	--

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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>
Sanitation:				
Environmental Services	--	25	25	--
Human services:				
Community Services	25,594	131,214	123,252	7,962
Culture-recreation:				
Enterprise Services	--	878	878	--
Parks and Recreation	<u>353</u>	<u>1,573</u>	<u>1,552</u>	<u>21</u>
Total Culture-recreation	<u>353</u>	<u>2,451</u>	<u>2,430</u>	<u>21</u>
Utilities or other enterprises:				
Board of Water Supply	--	1,372	1,372	--
Transportation Services	<u>22,962</u>	<u>31,914</u>	<u>31,734</u>	<u>180</u>
Total Utilities or other enterprises	<u>22,962</u>	<u>33,286</u>	<u>33,106</u>	<u>180</u>
Total Expenditures	<u>61,128</u>	<u>481,562</u>	<u>457,488</u>	<u>24,074</u>
Net change in Fund Balance	(18,887)	(31,008)	(353,476)	(322,468)
Encumbrances	--	--	375,123	375,123
Fund Balance - July 1	<u>--</u>	<u>--</u>	<u>17,548</u>	<u>17,548</u>
Fund Balance - June 30	<u>\$ (18,887)</u>	<u>\$ (31,008)</u>	<u>\$ 39,195</u>	<u>\$ 70,203</u>

CITY AND COUNTY OF HONOLULU
NOTES TO BUDGETARY COMPARISON SCHEDULES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Budgets and Budgetary Accounting

Except for the inclusion of carry-over encumbrances, the budgets for the General Fund, the Highway Fund and the Federal Grants Fund are adopted on a modified accrual basis consistent with generally accepted accounting principles (GAAP).

The actual expenditures on a budgetary basis include payments made during the fiscal year on the modified accrual basis of accounting, consistent with GAAP, plus outstanding encumbrances at the end of the current fiscal year.

The budgetary comparison for the General Fund is the legally separate fund with its legally adopted budget not the combined General Fund (per GASB 54) presented in the basic financial statements (amounts in thousands).

Reconciliation	General Fund	Highway Fund	Federal Grants Fund
Net change in Fund Balance per Budgetary Comparison Schedule	\$ (35,838)	\$ (26,785)	\$ (353,476)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances	110,176	21,463	375,123
Changes in Fund Balance for legal separate funds combined with the General Fund per GASB 54	10,919	--	--
Net change in Fund Balance per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 85,257	\$ (5,322)	\$ 21,647

CITY AND COUNTY OF HONOLULU
EMPLOYEES' RETIREMENT SYSTEM - PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Fiscal Years 2013 - 2019
 (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, 2019	18.81%	\$ 2,665,559	\$ 666,311	400.05%	54.87%
June 30, 2018	18.20%	\$ 2,424,496	\$ 640,203	378.71%	55.48%
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 to be built prospectively.

CITY AND COUNTY OF HONOLULU
EMPLOYEES' RETIREMENT SYSTEM - PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
 Fiscal Years 2012 - 2020
 (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, 2020	\$ 212,405	\$ 212,694	\$ 289	\$ 689,084	30.87%
June 30, 2019	\$ 176,114	\$ 176,416	\$ 302	\$ 666,311	26.48%
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 to 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, 2020

Amounts reported in the schedule of proportionate share of the net pension liability had no significant changes in assumptions for the measurement period ended June 30, 2019.

Contribution rates are a percentage of pensionable payroll and are set by statute based on the recommendation of the ERS actuary. Act 256, Session Laws of Hawaii (SLH) 2007 established contribution rates beginning July 1, 2008 through June 30, 2012. Act 163 (SLH 2011) established new contribution rates beginning July 1, 2012 through June 30, 2017. Act 17 (SLH 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 (SLH 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 (SLH 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

Fiscal Years 2017 - 2019

(Amounts in thousands)

	2019	2018	2017
Total OPEB liability			
Service cost	\$ 45,917	\$ 44,698	\$ 43,835
Interest on the total OPEB liability	163,723	155,684	147,732
Difference between expected and actual experience of the total OPEB liability	(9,002)	(36,127)	--
Changes of assumptions	16,227	31,781	--
Benefit payments	(83,074)	(80,555)	(76,220)
Net change in total OPEB liability	133,791	115,481	115,347
Total OPEB liability - July 1	2,357,481	2,242,000	2,126,653
Total OPEB liability - June 30	\$ 2,491,272	\$ 2,357,481	\$ 2,242,000
Plan fiduciary net position			
Employer contributions	\$ 177,331	\$ 143,665	\$ 125,017
Net investment income	22,566	30,844	30,907
Benefit payments	(83,074)	(80,555)	(76,220)
OPEB plan administrative expense	(169)	(95)	(72)
Other	36,505	--	1,147
Net change in plan fiduciary net position	153,159	93,859	80,779
Plan fiduciary net position - July 1	466,530	372,671	291,892
Plan fiduciary net position - June 30	\$ 619,689	\$ 466,530	\$ 372,671
Net OPEB liability - June 30	\$ 1,871,583	\$ 1,890,951	\$ 1,869,329
Plan fiduciary net position as a percentage of the total OPEB liability	24.9%	19.8%	16.6%
Covered-employee payroll	\$ 667,656	\$ 648,001	\$ 626,639
Net OPEB liability as a percentage of covered-employee payroll	280.3%	291.8%	298.3%

Information prior to the fiscal year ended June 30, 2017 is not available. As information becomes available in future years, up to 10 years will be displayed prospectively.

Notes to Schedule of Changes in Net OPEB Liability and Related Ratios:

2019: The demographic assumptions were updated to reflect the 2019 ERS Actuarial Experience Study. Additionally, the participation assumptions were updated to better reflect the plan's anticipated experience.

2018: The short-term healthcare trend assumptions were updated.

CITY AND COUNTY OF HONOLULU
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
SCHEDULE OF CONTRIBUTIONS

FISCAL YEARS 2018 - 2020

(Amounts in thousands)

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Payroll
June 30, 2020	\$ 183,677	\$ 183,677	\$ --	\$ 689,084	26.7%
June 30, 2019	\$ 177,331	\$ 177,331	\$ --	\$ 667,656 (a)	26.6%
June 30, 2018	\$ 166,876	\$ 143,665	\$ 23,211	\$ 648,001	22.2%

Notes:

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.

(a) Revised from previous CAFR.

CITY AND COUNTY OF HONOLULU
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
NOTES TO SCHEDULE OF CONTRIBUTIONS
 FISCAL YEAR ENDED JUNE 30, 2020

Valuation Date:	The actuarially determined contribution for the fiscal year ended June 30, 2020 was developed in the July 1, 2018 valuation.
Methods and Assumptions:	
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.0%
Inflation	2.5%
Amortization Method	Level percent. Closed bases are established at each valuation for new unfunded liabilities.
Equivalent Single Amortization Period	19.1 as of the fiscal year ended June 30, 2020
Payroll Growth	3.5%
Asset Method	Smoothed
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
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 10.0%, declining to a rate of 4.9% after 13 years
HMO*	Initial rate of 10.0%, declining to a rate of 4.9% after 13 years
Part B	Initial rates of 4.0% and 5.0%, declining to a rate of 4.7% after 12 years
Dental	5.0% for the first three years; then 4.0% for all future years
Vision	0.0% for the first three years; then 2.5% for all future years
Life Insurance	0.0%

* 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 41.

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2020
 (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.....	\$ 7,990	\$ 2,844	\$ 6,389	\$ 3,566
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	--
Payroll Advance	17	6	--	24
Due from other funds	--	--	--	--
Total Assets	\$ 8,007	\$ 2,850	\$ 6,389	\$ 3,590
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 678	\$ --	\$ 70	\$ 19
Interest and bonds payable-matured	--	--	--	--
Due to other funds	1	--	--	--
Accrued payroll	107	12	--	114
Total Liabilities	786	12	70	133
Deferred Inflow:				
Deferred inflow	--	--	--	--
Total Deferred Inflow	--	--	--	--
Fund Balances:				
Restricted	7,221	2,838	--	3,457
Committed	--	--	6,319	--
Total Fund Balances	7,221	2,838	6,319	3,457
Total Liabilities, Deferred Inflow and Fund Balances	\$ 8,007	\$ 2,850	\$ 6,389	\$ 3,590

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2020
 (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
\$ 1,920	\$ 6,343	\$ 32,866	\$ 33,669	\$ 639	\$ 727	\$ 278
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	11	--	--
--	--	--	--	244	--	--
--	20	--	--	8	--	--
--	--	--	39	--	--	--
\$ 1,920	\$ 6,363	\$ 32,866	\$ 33,708	\$ 902	\$ 727	\$ 278
\$ --	\$ 97	\$ --	\$ 1,919	\$ 247	\$ --	\$ --
--	--	--	--	--	--	--
--	9	--	1	177	--	--
--	78	--	--	48	--	--
--	184	--	1,920	472	--	--
--	--	--	--	11	--	--
--	--	--	--	11	--	--
--	--	32,866	31,788	419	--	--
1,920	6,179	--	--	--	727	278
1,920	6,179	32,866	31,788	419	727	278
\$ 1,920	\$ 6,363	\$ 32,866	\$ 33,708	\$ 902	\$ 727	\$ 278

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2020
 (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.....	\$ 2,282	\$ 1,869	\$ 3,804	\$ 18,751
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	1,039
Payroll Advance	--	74	102	16
Due from other funds	--	--	--	8
Total Assets	\$ 2,282	\$ 1,943	\$ 3,906	\$ 19,814
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 112	\$ 166	\$ 133	\$ 722
Interest and bonds payable-matured	--	--	--	--
Due to other funds	1	1	--	360
Accrued payroll	181	251	184	140
Total Liabilities	294	418	317	1,222
Deferred Inflow:				
Deferred inflow	--	--	--	--
Total Deferred Inflow	--	--	--	--
Fund Balances:				
Restricted	--	--	--	18,592
Committed	1,988	1,525	3,589	--
Total Fund Balances	1,988	1,525	3,589	18,592
Total Liabilities, Deferred Inflow and Fund Balances	\$ 2,282	\$ 1,943	\$ 3,906	\$ 19,814

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2020
 (Amounts in thousands)

(Page 4 of 5)

Special Revenue Funds			Debt Service Fund	Capital Projects Funds
Housing and Community Development Rehabilitation Loan Fund	Pauahi Project Expenditures Hawaii R-15 Fund	Housing and Community Development Section 8 Contract Fund	Improvement District Bond and Interest Redemption Fund	General Improvement Bond Fund
\$ 6,453	\$ 1,010	\$ 8,432	\$ 172	\$ 85,551
--	--	110	--	--
--	--	--	2	--
7,068	--	3,648	--	--
--	--	49	--	--
--	--	47	--	9
--	--	--	--	--
<u>\$ 13,521</u>	<u>\$ 1,010</u>	<u>\$ 12,286</u>	<u>\$ 174</u>	<u>\$ 85,560</u>
\$ --	\$ --	\$ 273	\$ --	\$ 11,881
--	--	--	8	--
--	--	97	--	--
--	--	136	--	6
--	--	506	8	11,887
7,068	--	3,807	1	--
7,068	--	3,807	1	--
6,453	1,010	7,973	--	--
--	--	--	165	73,673
6,453	1,010	7,973	165	73,673
<u>\$ 13,521</u>	<u>\$ 1,010</u>	<u>\$ 12,286</u>	<u>\$ 174</u>	<u>\$ 85,560</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2020
 (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.....	\$ 68,134	\$ 13,472	\$ 13,773	\$ 320,934
Receivables:				
Accounts	--	--	--	110
Special Assessments	--	--	--	2
Loans	--	52,355	--	63,082
Intergovernmental	--	4,778	--	6,110
Payroll Advance	--	--	--	323
Due from other funds	--	--	--	47
Total Assets	\$ 68,134	\$ 70,605	\$ 13,773	\$ 390,608
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 27,558	\$ 3,516	\$ --	\$ 47,391
Interest and bonds payable-matured	--	--	--	8
Due to other funds	33	--	--	680
Accrued payroll	--	--	--	1,257
Total Liabilities	27,591	3,516	--	49,336
Deferred Inflow:				
Deferred inflow	--	52,623	--	63,510
Total Deferred Inflow	--	52,623	--	63,510
Fund Balances:				
Restricted	--	14,466	13,773	140,856
Committed	40,543	--	--	136,906
Total Fund Balances	40,543	14,466	13,773	277,762
Total Liabilities, Deferred Inflow and Fund Balances	\$ 68,134	\$ 70,605	\$ 13,773	\$ 390,608

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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, 2020
(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	\$ --	\$ --	\$ --	\$ --
Licenses and permits.....	--	401	153	6,180
Intergovernmental.....	--	--	--	--
Charges for services.....	4,523	--	--	96
Fines and forfeits.....	--	--	--	189
Miscellaneous:				
Interest.....	--	--	--	--
Other.....	17	--	965	2
Total Revenues.....	4,540	401	1,118	6,467
Expenditures:				
Current:				
General government.....	2,211	19	--	3,323
Public safety.....	--	523	--	--
Highways and streets.....	1,583	11	--	--
Human services.....	--	--	--	--
Culture-recreation.....	619	--	118	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	1,894	162	--	2,015
Other.....	--	--	--	32
Capital Outlay:				
General government.....	--	--	--	179
Public safety.....	--	--	--	--
Highways and streets.....	--	8	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	141	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	6,307	723	259	5,549
Revenues over (under) Expenditures.....	(1,767)	(322)	859	918
Other Financing Sources (Uses):				
Issuance of general obligation bonds	--	--	--	--
Bond premium	--	--	--	--
Transfers in.....	--	1,274	--	--
Transfers out.....	(416)	(81)	--	(359)
Total Other Financing Sources (Uses).....	(416)	1,193	--	(359)
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(2,183)	871	859	559
Fund Balance - July 1	9,404	1,967	5,460	2,898
Fund Balances - June 30.....	\$ 7,221	\$ 2,838	\$ 6,319	\$ 3,457

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, 2020
(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
\$ --	\$ --	\$ 7,024	\$ 7,024	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	--	7,838	--	--
--	3,492	--	--	--	191	77
--	--	--	--	15	--	--
--	144	495	712	--	--	--
233	1,860	--	--	16	--	--
<u>233</u>	<u>5,496</u>	<u>7,519</u>	<u>7,736</u>	<u>7,869</u>	<u>191</u>	<u>77</u>
--	26	18	--	800	--	--
--	956	--	--	--	--	--
--	--	--	--	--	--	--
192	--	--	12,021	1,737	--	--
--	2,870	--	--	--	4	3
--	--	--	--	--	--	--
--	1,404	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	1,302	--	--
--	--	--	--	583	--	--
--	--	--	--	--	--	--
--	--	--	3,404	3,492	--	--
--	60	4,703	--	10	--	18
--	--	--	--	--	--	--
<u>192</u>	<u>5,316</u>	<u>4,721</u>	<u>15,425</u>	<u>7,924</u>	<u>4</u>	<u>21</u>
<u>41</u>	<u>180</u>	<u>2,798</u>	<u>(7,689)</u>	<u>(55)</u>	<u>187</u>	<u>56</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	245	--	--
--	(1,677)	--	--	--	(27)	(6)
--	<u>(1,677)</u>	--	--	<u>245</u>	<u>(27)</u>	<u>(6)</u>
41	(1,497)	2,798	(7,689)	190	160	50
1,879	7,676	30,068	39,477	229	567	228
<u>\$ 1,920</u>	<u>\$ 6,179</u>	<u>\$ 32,866</u>	<u>\$ 31,788</u>	<u>\$ 419</u>	<u>\$ 727</u>	<u>\$ 278</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, 2020
(Amounts in thousands)

(Page 3 of 5)

	Special Revenue Funds			
	Honolulu Zoo Fund	Golf Fund	Special Events Fund	Special Projects Fund
Revenues:				
Taxes	\$ 7,024	\$ --	\$ --	\$ --
Licenses and permits.....	--	--	--	--
Intergovernmental.....	--	--	--	17,400
Charges for services.....	4,332	5,226	33	817
Fines and forfeits.....	--	--	--	--
Miscellaneous:				
Interest.....	27	--	53	14
Other.....	309	2,478	7,452	1,164
Total Revenues.....	11,692	7,704	7,538	19,395
Expenditures:				
Current:				
General government.....	--	--	--	3,293
Public safety.....	--	--	--	5,828
Highways and streets.....	--	--	--	--
Human services.....	--	--	--	6,432
Culture-recreation.....	7,456	10,104	6,655	942
Utilities or other enterprises.....	--	--	--	288
Miscellaneous:				
Retirement and health benefits.....	2,963	3,993	3,501	--
Other.....	70	182	191	--
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	--	991
Highways and streets.....	--	--	--	--
Human services.....	--	--	--	407
Culture-recreation.....	54	207	--	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	10,543	14,486	10,347	18,181
Revenues over (under) Expenditures.....	1,149	(6,782)	(2,809)	1,214
Other Financing Sources (Uses):				
Issuance of general obligation bonds	--	--	--	--
Bond premium	--	--	--	--
Transfers in.....	2,841	7,537	7,079	--
Transfers out.....	(4,163)	(2,069)	(3,549)	--
Total Other Financing Sources (Uses)....	(1,322)	5,468	3,530	--
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(173)	(1,314)	721	1,214
Fund Balance - July 1	2,161	2,839	2,868	17,378
Fund Balances - June 30.....	\$ 1,988	\$ 1,525	\$ 3,589	\$ 18,592

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, 2020

(Amounts in thousands)

(Page 4 of 5)

Special Revenue Funds			Debt Service	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	Improvement District Bond and Interest Fund	General Improvement Bond Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	62,428	--	--
--	--	--	--	--
--	--	--	--	36
79	20	96	--	--
672	--	135	--	123
<u>751</u>	<u>20</u>	<u>62,659</u>	<u>--</u>	<u>159</u>
--	--	115	--	1,026
--	--	--	--	1,927
--	--	--	--	210
110	--	61,192	--	35
--	--	--	--	2,986
--	--	--	--	25,000
--	--	--	--	--
--	--	--	--	--
--	--	--	--	25,352
--	--	--	--	23,599
--	--	--	--	4,493
400	--	--	--	26,193
--	--	--	--	24,597
--	--	--	--	201
<u>510</u>	<u>--</u>	<u>61,307</u>	<u>--</u>	<u>135,619</u>
<u>241</u>	<u>20</u>	<u>1,352</u>	<u>--</u>	<u>(135,460)</u>
--	--	--	--	200,470
--	--	--	--	34,539
--	--	--	--	--
(245)	--	--	--	--
<u>(245)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>235,009</u>
(4)	20	1,352	--	99,549
6,457	990	6,621	165	(25,876)
<u>\$ 6,453</u>	<u>\$ 1,010</u>	<u>\$ 7,973</u>	<u>\$ 165</u>	<u>\$ 73,673</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, 2020
(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	\$ --	\$ --	\$ --	\$ 21,072
Licenses and permits.....	--	--	--	6,734
Intergovernmental.....	--	17,505	--	105,171
Charges for services.....	--	--	--	18,787
Fines and forfeits.....	--	--	--	240
Miscellaneous:				
Interest.....	--	--	--	1,640
Other.....	131	--	--	15,557
Total Revenues.....	131	17,505	--	169,201
Expenditures:				
Current:				
General government.....	--	--	--	10,831
Public safety.....	61	--	--	9,295
Highways and streets.....	19,346	--	--	21,150
Human services.....	--	1,968	--	83,687
Culture-recreation.....	--	--	--	31,757
Utilities or other enterprises.....	5,239	9,929	--	40,456
Miscellaneous:				
Retirement and health benefits.....	--	--	--	15,932
Other.....	--	--	--	475
Capital Outlay:				
General government.....	4,141	--	--	30,974
Public safety.....	1,290	1,423	--	27,886
Highways and streets.....	52,392	79	--	56,972
Human services.....	--	1,439	--	35,335
Culture-recreation.....	--	--	--	29,790
Utilities or other enterprises.....	3,042	2,244	--	5,487
Total Expenditures.....	85,511	17,082	--	400,027
Revenues over (under) Expenditures.....	(85,380)	423	--	(230,826)
Other Financing Sources (Uses):				
Issuance of general obligation bonds	55,340	--	--	255,810
Bond premium	9,663	--	--	44,202
Transfers in.....	--	--	--	18,976
Transfers out.....	--	--	--	(12,592)
Total Other Financing Sources (Uses)...	65,003	--	--	306,396
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(20,377)	423	--	75,570
Fund Balance - July 1	60,920	14,043	13,773	202,192
Fund Balances - June 30.....	\$ 40,543	\$ 14,466	\$ 13,773	\$ 277,762

**AGENCY FUNDS
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2020
 (Amounts in thousands)

	Agency Funds				Total
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	Payroll Clearance Fund	
<u>ASSETS</u>					
Cash and investments:					
With Treasury	\$ 29,025	\$ 2,298	\$ 10,632	\$ 7	\$ 41,962
Imprest and change funds	69	51	--	--	120
Due from other funds:					
General Fund	--	--	--	21	21
Highway Fund	2	--	--	19	21
Sewer Fund	--	--	--	3	3
Hanauma Bay Fund	6	--	--	--	6
Solid Waste Fund	12	--	--	7	19
HPower Fund	9	--	--	--	9
Recycling Fund	--	--	--	1	1
Honolulu Zoo Fund	--	--	--	1	1
Golf Fund	--	--	--	1	1
Total Assets	<u>29,123</u>	<u>2,349</u>	<u>10,632</u>	<u>60</u>	<u>42,164</u>
<u>LIABILITIES</u>					
Liabilities:					
Accounts payable	7,167	--	318	--	7,485
Other current liabilities	<u>21,956</u>	<u>2,349</u>	<u>10,314</u>	<u>60</u>	<u>34,679</u>
Total Liabilities	<u>29,123</u>	<u>2,349</u>	<u>10,632</u>	<u>60</u>	<u>42,164</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, 2020
 (Amounts in thousands)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>GENERAL TRUST FUND</u>				
<u>ASSETS</u>				
Cash and investments.....	\$ 30,020	\$ 130,172	\$ 131,098	\$ 29,094
Due from other funds	28	29	28	29
Total Assets	<u>\$ 30,048</u>	<u>\$ 130,201</u>	<u>\$ 131,126</u>	<u>\$ 29,123</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 6,440	\$ 131,824	\$ 131,097	\$ 7,167
Other current liabilities	23,608	130,172	131,824	21,956
Total Liabilities	<u>\$ 30,048</u>	<u>\$ 261,996</u>	<u>\$ 262,921</u>	<u>\$ 29,123</u>
<u>TREASURY TRUST FUND</u>				
<u>ASSET</u>				
Cash and investments.....	\$ 8,557	\$ 16,222	\$ 22,430	\$ 2,349
<u>LIABILITY</u>				
Other current liabilities	\$ 8,557	\$ 16,222	\$ 22,430	\$ 2,349
<u>REAL PROPERTY TAX TRUST FUND</u>				
<u>ASSET</u>				
Cash and investments.....	\$ 11,120	\$ 11,905	\$ 12,393	\$ 10,632
<u>LIABILITIES</u>				
Accounts payable	\$ 3	\$ 4,923	\$ 4,608	\$ 318
Due to other funds	--	317	317	--
Other current liabilities	11,117	6,665	7,468	10,314
Total Liabilities	<u>\$ 11,120</u>	<u>\$ 11,905</u>	<u>\$ 12,393</u>	<u>\$ 10,632</u>
<u>PAYROLL CLEARANCE FUND</u>				
<u>ASSETS</u>				
Cash and investments.....	\$ --	\$ 788,019	\$ 788,012	\$ 7
Due from other funds	23	53	23	53
Total Assets	<u>\$ 23</u>	<u>\$ 788,072</u>	<u>\$ 788,035</u>	<u>\$ 60</u>
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ 42,029	\$ 42,029	\$ --
Other current liabilities	23	830,025	829,988	60
Total Liabilities	<u>\$ 23</u>	<u>\$ 872,054</u>	<u>\$ 872,017</u>	<u>\$ 60</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash and investments.....	\$ 49,697	\$ 946,318	\$ 953,933	\$ 42,082
Due from other funds	51	82	51	82
Total Assets	<u>\$ 49,748</u>	<u>\$ 946,400</u>	<u>\$ 953,984</u>	<u>\$ 42,164</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 6,443	\$ 178,776	\$ 177,734	\$ 7,485
Due to other funds	--	317	317	--
Other current liabilities	43,305	983,084	991,710	34,679
Total Liabilities	<u>\$ 49,748</u>	<u>\$ 1,162,177</u>	<u>\$ 1,169,761</u>	<u>\$ 42,164</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 41.

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, 2020
 (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.....	\$ 401,946	\$ 10,692
Receivables:		
Real property taxes	17,892	--
Accounts	6,214	--
Interest	5,710	--
Loans	28	--
Intergovernmental	7,011	--
Payroll Advance	7,338	--
Due from other funds	1,233	--
Total Assets	\$ 447,372	\$ 10,692
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 37,276	\$ 367
Due to other funds	172	23
Accrued payroll	26,102	2
Total Liabilities	63,550	392
Deferred Inflow:		
Deferred inflow	15,497	--
Total Deferred Inflow	15,497	--
Fund Balances:		
Committed	--	10,300
Assigned	110,176	--
Unassigned	258,149	--
Total Fund Balances	368,325	10,300
Total Liabilities, Deferred Inflow and Fund Balance	\$ 447,372	\$ 10,692

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING BALANCE SHEET
 JUNE 30, 2020
 (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
\$ 129,943	\$ 181	\$ 1,962	\$ 237	\$ 544,961
--	--	--	--	17,892
--	--	--	--	6,214
--	--	--	--	5,710
--	--	--	--	28
--	--	--	--	7,011
--	--	--	--	7,338
--	--	--	--	1,233
<u>\$ 129,943</u>	<u>\$ 181</u>	<u>\$ 1,962</u>	<u>\$ 237</u>	<u>\$ 590,387</u>
\$ --	\$ --	\$ --	\$ --	\$ 37,643
--	--	--	--	195
--	--	--	--	26,104
--	--	--	--	63,942
--	42	--	--	15,539
--	42	--	--	15,539
129,943	139	1,962	237	142,581
--	--	--	--	110,176
--	--	--	--	258,149
<u>129,943</u>	<u>139</u>	<u>1,962</u>	<u>237</u>	<u>510,906</u>
<u>\$ 129,943</u>	<u>\$ 181</u>	<u>\$ 1,962</u>	<u>\$ 237</u>	<u>\$ 590,387</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, 2020
(Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds	
	General Fund	Grants In Aid Fund
Revenues:		
Taxes	\$ 1,447,893	\$ --
Licenses and permits.....	43,757	--
Intergovernmental.....	37,902	--
Charges for services.....	6,970	--
Fines and forfeits.....	1,017	--
Miscellaneous:		
Recoveries.....	51,468	--
Interest.....	16,779	166
Other.....	8,374	--
Total Revenues.....	1,614,160	166
Expenditures:		
Current:		
General government.....	164,794	68
Public safety.....	463,259	--
Highways and streets.....	9,209	--
Sanitation.....	421	--
Human services.....	9,511	6,692
Culture-recreation.....	79,195	--
Utilities or other enterprises.....	659	--
Miscellaneous:		
Retirement and health benefits.....	365,942	--
Other.....	25,644	--
Capital Outlay:		
General government.....	2,940	--
Public safety.....	3,163	--
Highways and streets.....	74	--
Culture-recreation.....	581	--
Total Expenditures.....	1,125,392	6,760
Revenues over (under) Expenditures.....	488,768	(6,594)
Other Financing Sources (Uses):		
Sales of capital assets	--	--
Transfers in.....	190,928	8,194
Transfers out.....	(605,358)	--
Total Other Financing Sources (Uses)....	(414,430)	8,194
Revenues and Other Sources over Expenditures and Other Uses.....	74,338	1,600
Fund Balances - July 1	293,987	8,700
Fund Balances - June 30.....	\$ 368,325	\$ 10,300

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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
\$ --	\$ --	\$ --	\$ --	\$ 1,447,893
--	--	--	--	43,757
--	--	--	--	37,902
--	--	--	--	6,970
--	--	--	--	1,017
--	--	--	--	51,468
2,265	2	--	5	19,217
--	--	--	--	8,374
<u>2,265</u>	<u>2</u>	<u>--</u>	<u>5</u>	<u>1,616,598</u>
--	--	--	--	164,862
--	--	--	--	463,259
--	--	--	--	9,209
--	--	--	--	421
--	--	--	--	16,203
--	--	--	--	79,195
--	--	--	--	659
--	--	--	--	365,942
--	--	--	--	25,644
--	--	--	--	2,940
--	--	--	--	3,163
--	--	--	--	74
--	--	--	--	581
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,132,152</u>
<u>2,265</u>	<u>2</u>	<u>--</u>	<u>5</u>	<u>484,446</u>
47	--	--	--	47
7,000	--	--	--	206,122
--	--	--	--	(605,358)
<u>7,047</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(399,189)</u>
<u>9,312</u>	<u>2</u>	<u>--</u>	<u>5</u>	<u>85,257</u>
<u>120,631</u>	<u>137</u>	<u>1,962</u>	<u>232</u>	<u>425,649</u>
<u>\$ 129,943</u>	<u>\$ 139</u>	<u>\$ 1,962</u>	<u>\$ 237</u>	<u>\$ 510,906</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 401,946	\$ 284,622
Receivables:		
Real property taxes	17,892	11,444
Accounts	6,214	280
Interest	5,710	6,944
Loans	28	35
Intergovernmental	7,011	6,989
Payroll Advance	7,338	7,929
Due from other funds	1,233	57,230
Total Assets	\$ 447,372	\$ 375,473
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 37,276	\$ 42,683
Due to other funds	172	--
Accrued payroll	26,102	25,738
Total Liabilities	63,550	68,421
Deferred Inflow:		
Deferred inflow	15,497	13,065
Total Deferred Inflow	15,497	13,065
Fund Balance:		
Assigned	110,176	77,711
Unassigned	258,149	216,276
Total Fund Balance	368,325	293,987
Total Liabilities, Deferred Inflow and Fund Balance	\$ 447,372	\$ 375,473

CITY AND COUNTY OF HONOLULU
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>
Revenues:		
Taxes	\$ 1,447,893	\$ 1,310,999
Licenses and permits	43,757	48,014
Intergovernmental	37,902	45,676
Charges for services	6,970	8,011
Fines and forfeits	1,017	1,111
Miscellaneous:		
Recoveries	51,468	50,425
Interest	16,779	19,320
Other	8,374	7,596
Total Revenues	<u>1,614,160</u>	<u>1,491,152</u>
Expenditures:		
Current:		
General government	164,794	158,321
Public safety	463,259	437,244
Highways and streets	9,209	11,269
Sanitation	421	240
Human services	9,511	10,203
Culture-recreation	79,195	77,556
Utilities or other enterprises	659	945
Miscellaneous:		
Retirement and health benefits	365,942	334,133
Other	25,644	27,946
Capital outlay:		
General government	2,940	1,198
Public safety	3,163	2,263
Highways and streets	74	8
Culture-recreation	581	358
Utilities or other enterprises	--	10
Total Expenditures	<u>1,125,392</u>	<u>1,061,694</u>
Revenues over Expenditures	<u>488,768</u>	<u>429,458</u>
Other Financing Sources (Uses):		
Sales of capital assets	--	10
Transfers in	190,928	177,442
Transfers out	(605,358)	(567,008)
Total Other Financing Sources (Uses)	<u>(414,430)</u>	<u>(389,556)</u>
Revenues and Other Sources over Expenditures and Other Uses	74,338	39,902
Fund Balance - July 1	<u>293,987</u>	<u>254,085</u>
Fund Balance - June 30	<u>\$ 368,325</u>	<u>\$ 293,987</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,424,632	\$ 1,424,632	\$ 1,447,893	\$ 23,261
Licenses and permits	46,767	46,767	43,757	(3,010)
Intergovernmental	45,490	45,490	37,902	(7,588)
Charges for services	7,567	7,567	6,970	(597)
Fines and forfeits	771	771	1,017	246
Miscellaneous:				
Recoveries	56,188	56,188	51,468	(4,720)
Interest	14,564	14,564	16,779	2,215
Other	2,450	2,450	8,374	5,924
Total Revenues	1,598,429	1,598,429	1,614,160	15,731
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	17,742	18,936	17,954	982
City Clerk	4,575	4,575	3,465	1,110
City Council	7,643	7,643	6,266	1,377
Corporation Counsel	9,667	10,154	9,701	453
Customer Services	22,140	23,093	22,320	773
Design and Construction	10,310	11,417	10,468	949
Emergency Services	955	1,046	936	110
Facility Maintenance	25,107	26,377	24,669	1,708
Human Resources	7,187	7,346	6,823	523
Information Technology	28,749	29,512	28,153	1,359
Land Management	2,978	3,720	3,526	194
Mayor	5,625	5,783	5,552	231
Office of the City Auditor	3,677	3,679	1,464	2,215
Office of Council Services	2,725	2,725	2,225	500
Planning and Permitting	16,719	17,901	15,351	2,550
Prosecuting Attorney	20,033	21,767	21,255	512
Total General government	185,832	195,674	180,128	15,546
Public safety:				
Emergency Management	1,691	1,755	1,172	583
Emergency Services	52,255	53,332	50,728	2,604
Fire	139,036	139,037	135,595	3,442
Medical Examiner	2,763	2,986	2,886	100
Planning and Permitting	5,668	7,071	6,968	103
Police	275,014	280,345	273,697	6,648
Transportation Services	1,600	1,600	754	846
Total Public safety	478,027	486,126	471,800	14,326

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, 2020
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Highways and streets:				
Facility Maintenance	15,301	15,734	13,348	2,386
Sanitation:				
Environmental Services	--	400	400	--
Human services:				
Community Services	13,233	14,410	13,132	1,278
Culture-recreation:				
Mayor	2,515	2,641	2,561	80
Parks and Recreation	94,195	97,922	84,289	13,633
Total Culture-recreation	96,710	100,563	86,850	13,713
Utilities or other enterprises:				
Transportation Services	4,449	4,999	3,923	1,076
Miscellaneous:				
Retirement and health benefits:				
City Council	4,882	4,882	4,728	154
Provisional	411,827	411,827	361,214	50,613
Total Retirement and health benefits	416,709	416,709	365,942	50,767
Other:				
City Council	285	283	--	283
Provisional	74,619	50,267	26,476	23,791
Total Other	74,904	50,550	26,476	24,074
Total Miscellaneous	491,613	467,259	392,418	74,841
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, 2020
 (Amounts in thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures	1,285,365	1,285,365	1,162,199	123,166
Revenues over Expenditures	313,064	313,064	451,961	138,897
Other Financing Sources (Uses):				
Transfers in:				
Central administrative service expenses	50,541	50,541	49,655	(886)
Debt service	142,332	142,332	140,503	(1,829)
Other	770	770	770	--
Transfers out:				
Debt service	(278,325)	(278,325)	(272,032)	6,293
Bus subsidy	(188,227)	(188,227)	(188,227)	--
Other	(145,099)	(145,099)	(145,099)	--
Total Other Financing Sources (Uses)	(418,008)	(418,008)	(414,430)	3,578
Revenues and Other Sources over (under) Expenditures and Other Uses	(104,944)	(104,944)	37,531	142,475
Unreserved - Undesignated Fund				
Balance - July 1	111,210	111,210	216,276	105,066
Unreserved - Undesignated Fund				
Balance - June 30 (Budgetary Basis)	\$ 6,266	\$ 6,266	253,807	\$ 247,541
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			75,598	
Expenditures - prior year encumbrances			(38,791)	
Increase in reserved for encumbrances			(32,465)	
Unreserved - Undesignated Fund				
Balance - June 30			258,149	
Reserved for Encumbrances - June 30			110,176	
Fund Balance - June 30 (GAAP Basis)			\$ 368,325	

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 1 of 6)

<u>Source of Revenues</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
TAXES			
GENERAL PROPERTY TAXES:			
Real Property Tax	\$ 1,386,652	\$ 1,405,395	\$ 18,743
PUBLIC SERVICE COMPANY TAX:			
Public Service Company Tax	37,980	42,498	4,518
TOTAL TAXES	1,424,632	1,447,893	23,261
LICENSES AND PERMITS			
BUSINESS LICENSES AND PERMITS:			
Police and Protective:			
Second-Hand and Junk Dealers	8	10	2
Alarm Permits	189	94	(95)
Other	14	12	(2)
Professional and Occupational:			
Other	3	4	1
Total Business Licenses and Permits	214	120	(94)
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits:			
Building	18,000	19,213	1,213
Signs	35	20	(15)
Other	1,000	607	(393)
Motor Vehicle Licenses and Fees:			
Motor Vehicle Plate and Tag Fees	2,144	1,606	(538)
Motor Vehicle Transfer Fees and Penalty	2,797	2,427	(370)
Duplicate Registration & Ownership Certificates	200	150	(50)
Motor Vehicle Registration Annual Fee	14,870	13,784	(1,086)
Other	48	60	12
Other Vehicle Licenses and Fees:			
Moped Annual License Fee	148	124	(24)
Passenger and Freight Vehicle Permit Fees	55	29	(26)
Nonresident Vehicle Permit	22	13	(9)
Motor Vehicle Drivers' Licenses	5,706	4,333	(1,373)
Animal Licenses:			
Dog Licenses and Tag Fees	168	132	(36)
Street, Sidewalk and Curb Permits:			
Easement Grants	80	106	26
Newsstands	9	7	(2)
Dispensing Rack	174	154	(20)
Fire Code Permits and License Fees	720	577	(143)
Fireworks License Fees	58	81	23
Camping Permits	319	214	(105)
Total Non-Business Licenses and Permits	46,553	43,637	(2,916)
TOTAL LICENSES AND PERMITS	46,767	43,757	(3,010)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 2 of 6)

<u>Source of Revenues</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
STATE GRANTS:			
Transient Accommodation Tax	45,423	37,852	(7,571)
INTERGOVERNMENTAL PAYMENTS			
IN LIEU OF TAXES:			
Fish and Wildlife Service	<u>67</u>	<u>50</u>	<u>(17)</u>
TOTAL INTERGOVERNMENTAL	<u>45,490</u>	<u>37,902</u>	<u>(7,588)</u>
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Data Processing Services:			
Duplication of Master Tapes	52	62	10
Data Processing Service - State	730	697	(33)
Data Processing Service - U.S. Government	1	2	1
Data Processing Service - Other Counties	400	501	101
Legal Services (BWS)	209	194	(15)
Service Fee for Dishonored Checks	17	17	--
Service Fee for Credit Card Payments	59	147	88
Band Collections	--	1	1
Automotive Equipment Service Charges	100	57	(43)
Subdivision Fees	100	103	3
Application Fees for Zoning Regulations	250	158	(92)
Plan Review Use Fees	1,800	1,480	(320)
Administrative Fee--Multi-Family Housing Program.....	27	18	(9)
Military Housing Fee in Lieu of Property Tax	970	990	20
Zoning/Flood Clearance Fee	110	64	(46)
Fees for Certificates, Copies & Extracts of Records	139	156	17
Fees for Services	110	41	(69)
Custodial and Attendant Services	450	358	(92)
Spay-Neuter Service	318	282	(36)
Other	<u>12</u>	<u>18</u>	<u>6</u>
Total General Government	<u>5,854</u>	<u>5,346</u>	<u>(508)</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 3 of 6)

<u>Source of Revenues</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
PUBLIC SAFETY:			
Police Charges:			
HPD Special Duty Fees	306	298	(8)
Other	3	4	1
Total Public Safety	309	302	(7)
HIGHWAYS AND STREETS:			
Parking:			
City Employees	720	770	50
HPD Parking Lot	125	141	16
Kapalama Hale Parking Lot	68	47	(21)
Total Highways and Streets	913	958	45
CULTURE-RECREATION:			
Commercial Activities:			
Scuba, Snorkeling and Windsurfing	26	22	(4)
Commercial Filming	64	75	11
Summer Fun Program	222	2	(220)
Fall and Spring Program	--	62	62
Fees for Use of Parks	--	4	4
Foster Botanic Garden	134	138	4
Fees for Community Garden	45	61	16
Total Culture-Recreation	491	364	(127)
TOTAL CHARGES FOR SERVICES	7,567	6,970	(597)
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	746	917	171
Liquidated Contract Damages	--	11	11
Total Fines	746	928	182
FORFEITS:			
Forfeiture of Seized Property	25	89	64
TOTAL FINES AND FORFEITS	771	1,017	246

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 4 of 6)

<u>Source of Revenues</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
RECOVERIES:			
Recoveries from State:			
HPD Civil Defense Coordinator	29	--	(29)
Motor Vehicle Inspection Program	785	666	(119)
Administration Cost - Ewa Highway Impact Fee	40	18	(22)
Hawaii State ID Program	755	633	(122)
Emergency Ambulance Services	45,428	42,249	(3,179)
Collection Cost - State Motor Vehicle			
Weight Tax, etc.	1,097	1,056	(41)
Commercial Drivers' License Program	639	265	(374)
Other	149	147	(2)
Other Recoveries:			
Workers' Compensation Payment	460	1	(459)
Central Administrative Service Expenses:			
Board of Water Supply	3,300	3,300	--
Honolulu Authority for Rapid Transportation	1,144	1,004	(140)
Recovery-Interest-Federal Subsidy	977	982	5
Workers' Compensation Claims (Third Party)	350	61	(289)
Recoveries - Other	1,035	1,086	51
Total Recoveries	<u>56,188</u>	<u>51,468</u>	<u>(4,720)</u>
INTEREST:			
Interest Earnings:			
Investments	14,564	16,747	2,183
Other Sources	--	32	32
Total Interest	<u>14,564</u>	<u>16,779</u>	<u>2,215</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Amounts in thousands)

(Page 5 of 6)

<u>Source of Revenues</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental Units:			
Rental Units (City Property)	134	271	137
Rental Units (HCD Property)	206	221	15
Rental - Ambulance Facilities	64	64	--
Rental of Parks and Recreational Facilities:			
Perquisite Housing	11	16	5
Other	2	1	(1)
Rental of Equipment	14	4	(10)
Rental for Use of Land	307	522	215
Rental of Other Properties	--	280	280
Total Rents	<u>738</u>	<u>1,379</u>	<u>641</u>
Contributions from Private Sources:			
Developers' Premium	--	41	41
Unclaimed Monies:			
Police Department	19	33	14
Other Escheats	50	--	(50)
Total Contributions from Private Sources	<u>69</u>	<u>74</u>	<u>5</u>
Other:			
Towing Service Premiums	120	120	--
Vacation Accumulation Deposits	42	315	273
Miscellaneous Sales	528	468	(60)
Sundry Refunds	895	5,882	4,987
Sundry Realizations	58	136	78
Total Other	<u>1,643</u>	<u>6,921</u>	<u>5,278</u>
Total Other Miscellaneous	<u>2,450</u>	<u>8,374</u>	<u>5,924</u>
TOTAL MISCELLANEOUS	<u>73,202</u>	<u>76,621</u>	<u>3,419</u>
TOTAL REVENUES	<u>1,598,429</u>	<u>1,614,160</u>	<u>15,731</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 6 of 6)

<u>Source of Revenues</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES			
TRANSFERS FROM OTHER FUNDS:			
Recovery of Central Administrative Service Expenses:			
Highway Fund	15,085	15,085	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	416	416	--
Bikeway Fund	81	81	--
Sewer Fund	18,586	18,586	--
Liquor Commission Fund	359	359	--
Hanauma Bay Nature Preserve Fund	502	502	--
Golf Fund	886	--	(886)
Special Events Fund	787	787	--
Honolulu Zoo Fund	738	738	--
Patsy T. Mink Central Oahu Regional Park Fund	27	27	--
Waipio Peninsula Soccer Park Fund	6	6	--
Solid Waste Special Fund	12,756	12,756	--
Housing Development Special Fund	312	312	--
Recovery of Debt Service Charges:			
Highway Fund	132,897	131,072	(1,825)
Hanauma Bay Nature Preserve Fund	1,179	1,175	(4)
Golf Fund	2,069	2,069	--
Special Events Fund	2,762	2,762	--
Honolulu Zoo Fund	3,425	3,425	--
Other Transfers:			
Sewer Fund	507	507	--
Solid Waste Special Fund	263	263	--
TOTAL TRANSFERS FROM OTHER FUNDS ...	193,643	190,928	(2,715)
TOTAL OTHER FINANCING SOURCES	193,643	190,928	(2,715)
TOTAL GENERAL FUND	\$ 1,792,072	\$ 1,805,088	\$ 13,016

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 36,895	\$ 41,640
Receivables:		
Public Utilities	24,019	23,408
Intergovernmental	2,843	4,391
Payroll advance	642	693
Other receivables	1	--
Due from other funds:		
General Fund	112	--
Bus Transportation Fund	17	--
	\$ 64,529	\$ 70,132
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,743	\$ 2,591
Due to other funds:		
General Fund	--	107
General Improvement Bond Fund	--	1
General Trust Fund	2	--
Payroll Clearance Fund	19	12
Accrued payroll	1,915	1,860
	3,679	4,571
Deferred Inflow:		
Deferred inflow	24,019	23,408
	24,019	23,408
Fund Balance:		
Restricted	36,831	42,153
	36,831	42,153
	\$ 64,529	\$ 70,132

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Amounts in thousands)

	2020	2019
Revenues:		
Taxes	\$ 96,115	\$ 98,187
Licenses and permits	181,983	179,010
Charges for services	5,005	5,312
Fines and forfeits	7	36
Miscellaneous:		
Recoveries	2,579	3,065
Other	1,261	2,995
Total Revenues	286,950	288,605
Expenditures:		
Current:		
General government	22,186	21,268
Public safety	34,149	32,612
Highways and streets	21,853	21,896
Utilities or other enterprises	5,743	3,374
Miscellaneous:		
Retirement and health benefits	40,558	39,480
Other	2,273	2,329
Capital improvements:		
General government	39	74
Public safety	--	14
Highways and streets	9	62
Total Expenditures	126,810	121,109
Revenues over Expenditures	160,140	167,496
Other Financing Source (Uses):		
Sales of capital assets	522	645
Transfers out	(165,984)	(154,084)
Total Other Financing Source (Uses)	(165,462)	(153,439)
Revenues and Other Source over (under) Expenditures and Other Uses	(5,322)	14,057
Fund Balance - July 1	42,153	28,096
Fund Balance - June 30	\$ 36,831	\$ 42,153

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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 98,832	\$ 98,832	\$ 96,115	\$ (2,717)
Licenses and permits	190,504	190,504	181,983	(8,521)
Charges for services	5,302	5,302	5,005	(297)
Fines and forfeits	15	15	7	(8)
Miscellaneous:				
Recoveries	2,424	2,424	2,579	155
Other	2,253	2,253	1,261	(992)
Total Revenues	299,330	299,330	286,950	(12,380)
Expenditures:				
Current:				
General government:				
Design and Construction	6,049	6,482	6,123	359
Facility Maintenance	14,195	14,475	14,447	28
Planning and Permitting	2,265	2,638	2,625	13
Total General government	22,509	23,595	23,195	400
Public safety:				
Police	27,188	27,268	26,533	735
Transportation Services	8,231	8,406	7,576	830
Total Public safety	35,419	35,674	34,109	1,565
Highways and streets:				
Facility Maintenance	25,534	27,716	25,681	2,035
Utilities or other enterprises:				
Transportation Services	10,084	10,544	9,677	867
Miscellaneous:				
Retirement and health benefits:				
Provisional	45,449	45,449	40,558	4,891
Other:				
Provisional	9,973	5,990	2,273	3,717
Total Miscellaneous	55,422	51,439	42,831	8,608
Total Expenditures	148,968	148,968	135,493	13,475
Revenues over Expenditures	150,362	150,362	151,457	1,095

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, 2020
 (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	212	212	522	310
Transfers out:				
Debt service	(132,897)	(132,897)	(131,072)	1,825
Reimbursement for central administrative service expenses	(15,085)	(15,085)	(15,085)	--
Bus subsidy	(19,827)	(19,827)	(19,827)	--
Total Transfers out.....	(167,809)	(167,809)	(165,984)	1,825
Total Other Financing Source (Uses)	(167,597)	(167,597)	(165,462)	2,135
Revenues and Other Source under Expenditures and Other Uses	(17,235)	(17,235)	(14,005)	3,230
Unreserved - Undesignated Fund Balance - July 1	17,235	17,235	28,581	11,346
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	\$ --	\$ --	14,576	\$ 14,576
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			14,614	
Expenditures - prior year encumbrances			(5,931)	
Increase in reserved for encumbrances			(7,891)	
Unreserved - Undesignated Fund Balance - June 30			15,368	
Reserved for Encumbrances - June 30			21,463	
Fund Balance - June 30 (GAAP Basis)			\$ 36,831	

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 47,048	\$ 49,073	\$ 2,025
SELECTIVE SALES AND USE TAXES:			
Fuel Tax	<u>51,784</u>	<u>47,042</u>	<u>(4,742)</u>
TOTAL TAXES	<u>98,832</u>	<u>96,115</u>	<u>(2,717)</u>
<u>LICENSES AND PERMITS</u>			
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills	500	408	(92)
Other Permits	19	8	(11)
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax	183,619	175,344	(8,275)
Other Vehicle Licenses and Fees	5,800	5,321	(479)
Street and Sidewalk Use	13	9	(4)
Freight Curb and Passenger Loading Zone Permits	273	567	294
Excavation and Repair of Streets and Sidewalks	<u>280</u>	<u>326</u>	<u>46</u>
TOTAL LICENSES AND PERMITS	<u>190,504</u>	<u>181,983</u>	<u>(8,521)</u>
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Sidewalk and Driveway Specifications Filing Fees	54	14	(40)
HIGHWAYS AND STREETS:			
Street and Sidewalk Charges	48	146	98
Disabled Persons Parking	2	3	1
Street Parking Meter Collections	4,043	4,018	(25)
Other Parking Meter Collections	1,125	785	(340)
Other	<u>30</u>	<u>39</u>	<u>9</u>
Total Highways and Streets	<u>5,248</u>	<u>4,991</u>	<u>(257)</u>
TOTAL CHARGES FOR SERVICES	<u>5,302</u>	<u>5,005</u>	<u>(297)</u>
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	<u>15</u>	<u>7</u>	<u>(8)</u>
TOTAL FINES AND FORFEITS	<u>15</u>	<u>7</u>	<u>(8)</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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			
RECOVERIES:			
Recovery from State for			
Traffic Signal Maintenance	550	691	141
Recovery of Overhead Charges	4	7	3
Recovery - Federal Interest Subsidy	1,870	1,881	11
Total Recoveries	<u>2,424</u>	<u>2,579</u>	<u>155</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	119	27	(92)
Total Rents	<u>119</u>	<u>27</u>	<u>(92)</u>
Concessions:			
Marin Towers Garage	410	150	(260)
Harbor Court Garage	434	285	(149)
Kaimuki Parking Lot	540	405	(135)
Kukui Plaza Garage	200	140	(60)
Smith-Beretania Garage	284	130	(154)
Total Concessions	<u>1,868</u>	<u>1,110</u>	<u>(758)</u>
Other:			
Vacation Accumulation Deposits	12	71	59
Miscellaneous Sales	4	3	(1)
Sundry Refunds	250	50	(200)
Total Other	<u>266</u>	<u>124</u>	<u>(142)</u>
Total Other Miscellaneous	<u>2,253</u>	<u>1,261</u>	<u>(992)</u>
TOTAL MISCELLANEOUS	<u>4,677</u>	<u>3,840</u>	<u>(837)</u>
TOTAL REVENUES	<u>299,330</u>	<u>286,950</u>	<u>(12,380)</u>
OTHER FINANCING SOURCE			
SALES OF CAPITAL ASSETS:			
Compensation for Loss of Capital Assets	212	522	310
TOTAL OTHER FINANCING SOURCE	<u>212</u>	<u>522</u>	<u>310</u>
TOTAL HIGHWAY FUND	<u>\$ 299,542</u>	<u>\$ 287,472</u>	<u>\$ (12,070)</u>

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

BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 7,990	\$ 9,801
Receivable:		
Payroll advance	17	19
Total Assets	\$ 8,007	\$ 9,820
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 678	\$ 309
Due to other funds:		
General Fund	--	3
General Trust Fund	1	--
Accrued payroll	107	104
Total Liabilities	786	416
Fund Balance:		
Restricted	7,221	9,404
Total Fund Balance	7,221	9,404
Total Liabilities and Fund Balance	\$ 8,007	\$ 9,820

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, 2020
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,679	\$ 4,523	\$ (156)
Miscellaneous:			
Other	--	17	17
Total Revenues	4,679	4,540	(139)
Expenditures:			
Current:			
General government:			
Customer Services	3,201	3,063	138
Highways and streets:			
Facility Maintenance	2,347	1,929	418
Culture-recreation:			
Parks and Recreation	610	610	--
Miscellaneous:			
Retirement and health benefits:			
Provisional	2,110	1,894	216
Other:			
Provisional	53	--	53
Total Miscellaneous	2,163	1,894	269
Total Expenditures	8,321	7,496	825
Revenues under Expenditures	(3,642)	(2,956)	686
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(416)	(416)	--
Revenues under Expenditures and Other Use	(4,058)	(3,372)	686
Unreserved - Undesignated Fund Balance - July 1	6,227	6,815	588
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 2,169	3,443	\$ 1,274
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		1,633	
Expenditures - prior year encumbrances		(444)	
Increase in reserved for encumbrances		(1,160)	
Unreserved - Undesignated Fund Balance - June 30		3,472	
Reserved for Encumbrances - June 30		3,749	
Fund Balance - June 30 (GAAP Basis)		\$ 7,221	

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, 2020
(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	\$ 4,679	\$ 4,523	\$ (156)
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	--	16	16
Sundry Refunds	--	1	1
TOTAL MISCELLANEOUS	--	17	17
TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND	\$ 4,679	\$ 4,540	\$ (139)

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 2,844	\$ 2,020
Receivable:		
Payroll advance	6	8
Total Assets	\$ 2,850	\$ 2,028
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ --	\$ 51
Accrued payroll	12	10
Total Liabilities	12	61
Fund Balance:		
Restricted	2,838	1,967
Total Fund Balance	2,838	1,967
Total Liabilities and Fund Balance	\$ 2,850	\$ 2,028

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, 2020
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Licenses and permits	\$ 419	\$ 401	\$ (18)
Total Revenue	<u>419</u>	<u>401</u>	<u>(18)</u>
Expenditures:			
Current:			
General government:			
Facility Maintenance	19	19	--
Public safety:			
Transportation Services	619	573	46
Highways and streets:			
Facility Maintenance	17	--	17
Miscellaneous:			
Retirement and health benefits:			
Provisional	183	162	21
Other:			
Provisional	44	--	44
Total Miscellaneous	<u>227</u>	<u>162</u>	<u>65</u>
Capital Improvements:			
Transportation Services	730	730	--
Total Expenditures	<u>1,612</u>	<u>1,484</u>	<u>128</u>
Revenue under Expenditures	<u>(1,193)</u>	<u>(1,083)</u>	<u>110</u>
Other Financing Source (Use):			
Transfer in	1,274	1,274	--
Transfer out:			
Reimbursement for central administrative service expenses	(81)	(81)	--
Total Other Financing Source (Use)	<u>1,193</u>	<u>1,193</u>	<u>--</u>
Revenue and Other Source over over Expenditures and Other Use	--	110	110
Unreserved - Undesignated Fund Balance - July 1	--	1,895	1,895
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	2,005	<u>\$ 2,005</u>
Adjustments to conform with generally accepted accepted accounting principles:			
Encumbrances included above		802	
Expenditures - prior year encumbrances		(41)	
Increase in reserved for encumbrances		<u>(331)</u>	
Unreserved - Undesignated Fund Balance - June 30		2,435	
Reserved for Encumbrances - June 30		<u>403</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 2,838</u>	

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 331	\$ 321	\$ (10)
Moped Annual License Fee	<u>88</u>	<u>80</u>	<u>(8)</u>
TOTAL REVENUE	<u>419</u>	<u>401</u>	<u>(18)</u>
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	<u>1,274</u>	<u>1,274</u>	<u>--</u>
TOTAL OTHER FINANCING SOURCE	<u>1,274</u>	<u>1,274</u>	<u>--</u>
TOTAL BIKEWAY FUND	<u>\$ 1,693</u>	<u>\$ 1,675</u>	<u>\$ (18)</u>

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 6,389	\$ 5,564
Total Asset	\$ 6,389	\$ 5,564
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ 70	\$ 104
Total Liability	70	104
Fund Balance:		
Committed	6,319	5,460
Total Fund Balance	6,319	5,460
Total Liability and Fund Balance	\$ 6,389	\$ 5,564

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Licenses and Permits	\$ --	\$ 153	\$ 153
Miscellaneous:			
Other	--	965	965
Total Revenue	--	1,118	1,118
Expenditure:			
Capital improvements:			
Design and Construction	2,013	2,013	--
Total Expenditure	2,013	2,013	--
Revenue under Expenditure	(2,013)	(895)	1,118
Unreserved - Undesignated Fund Balance - July 1	3,071	4,277	1,206
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,058	3,382	\$ 2,324
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		2,013	
Expenditures - prior year encumbrances		(259)	
Increase in reserved for encumbrances		(1,195)	
Unreserved - Undesignated Fund Balance - June 30		3,941	
Reserved for Encumbrances - June 30		2,378	
Fund Balance - June 30 (GAAP Basis)		\$ 6,319	

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

<u>Sources of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
LICENSE AND PERMITS			
NON BUSINESS LICENSES AND FEES:			
Easement Grants	\$ --	\$ 153	\$ 153
 MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Contributions from Private Sources:			
Subdividers' Contributions for Parks and Playgrounds	--	965	965
TOTAL PARKS AND PLAYGROUNDS FUND	\$ --	\$ 1,118	\$ 1,118

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 3,566	\$ 3,130
Receivable:		
Payroll advance	24	24
Total Assets	\$ 3,590	\$ 3,154
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 19	\$ 145
Accrued payroll	114	111
Total Liabilities	133	256
Fund Balance:		
Restricted	3,457	2,898
Total Fund Balance	3,457	2,898
Total Liabilities and Fund Balance	\$ 3,590	\$ 3,154

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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 6,188	\$ 6,180	\$ (8)
Charges for services	147	96	(51)
Fines and forfeits	150	189	39
Miscellaneous:			
Other	--	2	2
Total Revenues	6,485	6,467	(18)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	4,476	3,649	827
Corporation Counsel	201	194	7
Information Technology	72	71	1
Total General government	4,749	3,914	835
Miscellaneous:			
Retirement and health benefits:			
Provisional	2,265	2,015	250
Other:			
Provisional	167	32	135
Total Miscellaneous	2,432	2,047	385
Total Expenditures	7,181	5,961	1,220
Revenues over (under) Expenditures	(696)	506	1,202
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(359)	(359)	--
Revenues over (under) Expenditures and Other Use ..	(1,055)	147	1,202
Unreserved - Undesignated Fund Balance - July 1	2,039	2,697	658
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 984	2,844	\$ 1,860

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, 2020
 (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		591	
Expenditures - prior year encumbrances		(179)	
Increase in reserved for encumbrances		(406)	
Unreserved - Undesignated Fund			
Balance - June 30		2,850	
Reserved for Encumbrances - June 30		607	
Fund Balance - June 30 (GAAP Basis)		\$ 3,457	

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 6,188	\$ 6,180	\$ (8)
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Charges for Publications, Reports, Copies, etc.	6	4	(2)
Fees:			
Charge for Photo I.D.	130	82	(48)
Other	5	2	(3)
	<u>141</u>	<u>88</u>	<u>(53)</u>
Total General Government			
	<u>141</u>	<u>88</u>	<u>(53)</u>
HIGHWAYS AND STREETS:			
Parking:			
City Employees	6	8	2
	<u>6</u>	<u>8</u>	<u>2</u>
TOTAL CHARGES FOR SERVICES	<u>147</u>	<u>96</u>	<u>(51)</u>
FINES AND FORFEITS			
FINES:			
Fines - Liquor Commission	150	189	39
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	--	2	2
	<u>--</u>	<u>2</u>	<u>2</u>
TOTAL LIQUOR COMMISSION FUND	<u>\$ 6,485</u>	<u>\$ 6,467</u>	<u>\$ (18)</u>

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 1,920	\$ 1,879
Total Asset	\$ 1,920	\$ 1,879
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 1,920	\$ 1,879
Total Fund Balance	\$ 1,920	\$ 1,879

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ 233	\$ 233	\$ --
Total Revenue	233	233	--
Expenditure:			
Current:			
Human services:			
Community Services	233	213	20
Total Expenditure	233	213	20
Revenue over Expenditure	--	20	20
Unreserved - Undesignated Fund Balance - July 1	1,783	1,871	88
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,783	1,891	\$ 108
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		21	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		(21)	
Unreserved - Undesignated Fund Balance - June 30		1,891	
Reserved for Encumbrances - June 30		29	
Fund Balance - June 30 (GAAP Basis)		\$ 1,920	

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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
GRANTS IN AID FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 10,692	\$ 9,531
Total Asset	\$ 10,692	\$ 9,531
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 367	\$ 811
Due to other fund:		
General Fund	23	18
Accrued payroll	2	2
Total Liabilities	392	831
Fund Balance:		
Committed	10,300	8,700
Total Fund Balance	10,300	8,700
Total Liabilities and Fund Balance	\$ 10,692	\$ 9,531

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 132	\$ 166	\$ 34
Total Revenue	132	166	34
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	74	69	5
Human services:			
Community Services	9,779	9,465	314
Total Expenditures	9,853	9,534	319
Revenue under Expenditures	(9,721)	(9,368)	353
Other Financing Source:			
Transfer in	8,194	8,194	--
Revenue and Other Source under Expenditures	(1,527)	(1,174)	353
Unreserved - Undesignated Fund Balance - July 1	1,527	2,554	1,027
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	1,380	\$ 1,380
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		5,847	
Expenditures - prior year encumbrances		(3,073)	
Increase in reserved for encumbrances		(2,139)	
Unreserved - Undesignated Fund Balance - June 30		2,015	
Reserved for Encumbrances - June 30		8,285	
Fund Balance - June 30 (GAAP Basis)		\$ 10,300	

CITY AND COUNTY OF HONOLULU
GRANTS IN AID FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
INTEREST:			
Interest Earnings:			
Investments	\$ 132	\$ 166	\$ 34
TOTAL REVENUE	132	166	34
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	8,194	8,194	--
TOTAL OTHER FINANCING SOURCE	8,194	8,194	--
TOTAL GRANTS IN AID FUND	\$ 8,326	\$ 8,360	\$ 34

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,343	\$ 8,134
Receivables:		
Payroll advance	20	20
Total Assets	\$ 6,363	\$ 8,154
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 97	\$ 389
Due to other funds:		
General Fund	3	14
General Trust Fund	6	--
Accrued payroll	78	75
Total Liabilities	184	478
Fund Balance:		
Committed	6,179	7,676
Total Fund Balance	6,179	7,676
Total Liabilities and Fund Balance	\$ 6,363	\$ 8,154

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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,634	\$ 3,492	\$ (1,142)
Miscellaneous:			
Interest	139	144	5
Other	2,538	1,860	(678)
Total Revenues	7,311	5,496	(1,815)
Expenditures:			
Current:			
Public safety:			
Emergency Services	1,398	1,020	378
Culture-recreation:			
Parks and Recreation	3,749	2,869	880
Miscellaneous:			
Retirement and health benefits:			
Provisional	1,777	1,404	373
Other:			
Provisional	129	--	129
Total Miscellaneous	1,906	1,404	502
Capital improvements:			
Design and Construction	1,800	1,800	--
Total Expenditures	8,853	7,093	1,760
Revenues under Expenditures	(1,542)	(1,597)	(55)
Other Financing Uses:			
Transfers out:			
Debt service	(1,179)	(1,175)	4
Reimbursement for central administrative service expenses	(502)	(502)	--
Total Other Financing Uses	(1,681)	(1,677)	4
Revenues under Expenditures and Other Uses	(3,223)	(3,274)	(51)
Unreserved - Undesignated Fund Balance - July 1	4,577	6,488	1,911
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,354	3,214	\$ 1,860

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, 2020
 (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		2,334	
Expenditures - prior year encumbrances		(557)	
Decrease in reserved for encumbrances		43	
Unreserved - Undesignated Fund			
Balance - June 30		5,034	
Reserved for Encumbrances - June 30		1,145	
Fund Balance - June 30 (GAAP Basis)		\$ 6,179	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 183	\$ 138	\$ (45)
CULTURE-RECREATION:			
Miscellaneous:			
Hanauma Bay Admission Fee	<u>4,451</u>	<u>3,354</u>	<u>(1,097)</u>
TOTAL CHARGES FOR SERVICES	<u>4,634</u>	<u>3,492</u>	<u>(1,142)</u>
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	139	144	5
OTHER MISCELLANEOUS:			
Rents:			
Perquisite Housing	10	6	(4)
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession	250	337	87
Hanauma Beach Park Concession	360	298	(62)
Hanauma Shuttle Bus Service	45	31	(14)
Hanauma Snorkeling Rental	1,872	1,188	(684)
Other Concessions	<u>1</u>	<u>--</u>	<u>(1)</u>
Total Other Miscellaneous	<u>2,538</u>	<u>1,860</u>	<u>(678)</u>
TOTAL MISCELLANEOUS	<u>2,677</u>	<u>2,004</u>	<u>(673)</u>
TOTAL HANAUMA BAY NATURE PRESERVE FUND	<u>\$ 7,311</u>	<u>\$ 5,496</u>	<u>\$ (1,815)</u>

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 129,943	\$ 120,631
Total Asset	\$ 129,943	\$ 120,631
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 129,943	\$ 120,631
Total Fund Balance	\$ 129,943	\$ 120,631

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 2,784	\$ --	\$ (2,784)
Miscellaneous:			
Interest	2,130	2,265	135
Total Revenues	4,914	2,265	(2,649)
Other Financing Sources:			
Sales of capital assets	539	47	(492)
Transfer in	7,000	7,000	--
Total Other Financing Sources	7,539	7,047	(492)
Revenues and Other Sources	12,453	9,312	(3,141)
Unreserved - Undesignated Fund Balance - July 1	122,136	120,631	(1,505)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 134,589	129,943	\$ (4,646)
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		129,943	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 129,943	

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>LICENSES AND PERMITS</u>			
<u>NON-BUSINESS LICENSES AND PERMITS:</u>			
Easement Grants	\$ 2,784	\$ --	\$ (2,784)
<u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	<u>2,130</u>	<u>2,265</u>	<u>135</u>
TOTAL REVENUES	<u>4,914</u>	<u>2,265</u>	<u>(2,649)</u>
<u>OTHER FINANCING SOURCES</u>			
<u>SALES OF CAPITAL ASSETS:</u>			
Sales of Capital Assets	<u>539</u>	<u>47</u>	<u>(492)</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>7,539</u>	<u>7,047</u>	<u>(492)</u>
TOTAL RESERVE FOR FISCAL STABILITY FUND ...	<u>\$ 12,453</u>	<u>\$ 9,312</u>	<u>\$ (3,141)</u>

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 32,866	\$ 30,068
Total Asset	\$ 32,866	\$ 30,068
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 32,866	\$ 30,068
Total Fund Balance	\$ 32,866	\$ 30,068

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 7,024	\$ 7,024	\$ --
Miscellaneous:			
Interest	389	495	106
Total Revenues	7,413	7,519	106
Expenditures:			
Current:			
General government:			
Land Management	296	26	270
Capital improvements:			
Culture-recreation:			
Design and Construction	11,700	11,700	--
Total Expenditure	11,996	11,726	270
Revenues under Expenditures	(4,583)	(4,207)	376
Unreserved - Undesignated Fund Balance - July 1	4,616	26,006	21,390
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 33	21,799	\$ 21,766
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		11,058	
Expenditures - prior year encumbrances		(4,053)	
Decrease in reserved for encumbrances		4,054	
Unreserved - Undesignated Fund Balance - June 30		32,858	
Reserved for Encumbrances - June 30		8	
Fund Balance - June 30 (GAAP Basis)		\$ 32,866	

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 7,024	\$ 7,024	\$ --
 <u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	<u>389</u>	<u>495</u>	<u>106</u>
 TOTAL CLEAN WATER AND NATURAL LANDS FUND	 <u>\$ 7,413</u>	 <u>\$ 7,519</u>	 <u>\$ 106</u>

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 33,669	\$ 42,631
Due from other fund:		
Community Development Fund	39	5
Total Assets	\$ 33,708	\$ 42,636
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,919	\$ 3,152
Accrued payroll	--	6
Due to other fund:		
General Fund	1	1
Total Liabilities.....	1,920	3,159
Fund Balance:		
Restricted	31,788	39,477
Total Fund Balance	31,788	39,477
Total Liabilities and Fund Balance	\$ 33,708	\$ 42,636

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 7,024	\$ 7,024	\$ --
Miscellaneous:			
Interest	817	712	(105)
Total Revenues	7,841	7,736	(105)
Expenditure:			
Current:			
Human Services:			
Community Services	280	114	166
Total General government	280	114	166
Capital improvements:			
Community Services	7,260	7,260	--
Total Expenditure	7,540	7,374	166
Revenues over Expenditure	301	362	61
Unreserved - Undesignated Fund Balance - July 1	--	35,477	35,477
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 301	35,839	\$ 35,538
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		7,265	
Expenditures - prior year encumbrances		(15,316)	
Increase in reserved for encumbrances		(1,188)	
Unreserved - Undesignated Fund Balance - June 30		26,600	
Reserved for Encumbrances - June 30		5,188	
Fund Balance - June 30 (GAAP Basis)		\$ 31,788	

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 7,024	\$ 7,024	\$ --
 <u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	<u>817</u>	<u>712</u>	<u>(105)</u>
 TOTAL AFFORDABLE HOUSING FUND	 <u>\$ 7,841</u>	 <u>\$ 7,736</u>	 <u>\$ (105)</u>

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 639	\$ 517
Receivables:		
Loans	11	11
Intergovernmental	244	--
Payroll advance	8	11
Total Assets	\$ 902	\$ 539
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 247	\$ 114
Due to other funds:		
General Fund	126	121
Affordable Housing Fund	39	5
Special Projects Fund	8	--
Federal Grants Fund	4	8
Accrued payroll	48	51
Total Liabilities	472	299
Deferred Inflow:		
Deferred inflow	11	11
Total Deferred Inflow	11	11
Fund Balance:		
Restricted	419	229
Total Fund Balance	419	229
Total Liabilities, Deferred Inflow and Fund Balance	\$ 902	\$ 539

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, 2020
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 9,613	\$ 11,470	\$ 7,838	\$ (3,632)
Fines and Forfeits	--	--	15	15
Miscellaneous:				
Other	--	--	16	16
Total Revenues.	9,613	11,470	7,869	(3,601)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	848	848	797	51
Human services:				
Community Services	914	914	865	49
Capital improvements:				
General Government	2,622	2,622	2,622	--
Public Safety	--	174	174	--
Human Services	362	2,045	2,045	--
Culture and Recreation	4,467	4,467	4,467	--
Total Capital improvements	7,451	9,308	9,308	--
Total Expenditures	9,213	11,070	10,970	100
Revenue over (under) Expenditures	400	400	(3,101)	(3,501)
Other Financing Source (Use):				
Transfer in	--	--	245	245
Transfer out	(400)	(400)	--	400
Total Other Financing (Source) Use	(400)	(400)	245	645
Revenues and Other (Source) Use under Expenditures	--	--	(2,856)	(2,856)
Unreserved - Undesignated Fund Balance - July 1	--	--	(3,269)	(3,269)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	<u>\$ --</u>	(6,125)	<u>\$ (6,125)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			6,321	
Expenditures - prior year encumbrances			(3,275)	
Increase in reserved for encumbrances			<u>(4,994)</u>	
Unreserved - Undesignated Fund Balance - June 30			(8,073)	
Reserved for Encumbrances - June 30			<u>8,492</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 419</u>	

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 9,613	\$ 11,470	\$ 7,838	\$ (3,632)
<u>FINES AND FORFEITS</u>				
<u>FINES:</u>				
Liquidated Damages	--	--	15	15
<u>MISCELLANEOUS</u>				
<u>OTHER MISCELLANEOUS:</u>				
<u>Other:</u>				
Sundry Refunds	--	--	16	16
 TOTAL REVENUES	 <u>9,613</u>	 <u>11,470</u>	 <u>7,869</u>	 <u>(3,601)</u>
<u>OTHER FINANCING SOURCE</u>				
<u>TRANSFER FROM OTHER FUND:</u>				
<u>Other Transfer -</u>				
Housing and Community Development Rehabilitation Loan Fund	--	--	245	245
 TOTAL COMMUNITY DEVELOPMENT FUND	 <u>\$ 9,613</u>	 <u>\$ 11,470</u>	 <u>\$ 8,114</u>	 <u>\$ (3,356)</u>

CITY AND COUNTY OF HONOLULU
PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 727	\$ 567
Total Asset	\$ 727	\$ 567
 <u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 727	\$ 567
Total Fund Balance	\$ 727	\$ 567

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 190	\$ 191	\$ 1
Miscellaneous:			
Other	29	--	(29)
Total Revenues	219	191	(28)
Expenditure:			
Current:			
Culture-recreation:			
Parks and Recreation	535	501	34
Revenues under Expenditure	(316)	(310)	6
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(27)	(27)	--
Revenues under Expenditure and Other Use	(343)	(337)	6
Unreserved - Undesignated Fund Balance - July 1	370	564	194
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 27	227	\$ 200
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		500	
Expenditures - prior year encumbrances		(3)	
Increase in reserved for encumbrances		(497)	
Unreserved - Undesignated Fund Balance - June 30		227	
Reserved for Encumbrances - June 30		500	
Fund Balance - June 30 (GAAP Basis)		\$ 727	

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, 2020
 (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	\$ 25	\$ 66	\$ 41
CULTURE-RECREATION:			
Fees for Use of Parks	<u>165</u>	<u>125</u>	<u>(40)</u>
TOTAL CHARGES FOR SERVICES	<u>190</u>	<u>191</u>	<u>1</u>
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Concessions:			
Parks and Recreation Facilities	<u>29</u>	<u>--</u>	<u>(29)</u>
TOTAL PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND	<u>\$ 219</u>	<u>\$ 191</u>	<u>\$ (28)</u>

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 278	\$ 228
Total Asset	\$ 278	\$ 228
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 278	\$ 228
Total Fund Balance	\$ 278	\$ 228

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services	\$ 70	\$ 77	\$ 7
Total Revenue	70	77	7
Expenditure:			
Current:			
Culture-recreation:			
Parks and Recreation	112	11	101
Revenue over (under) Expenditure	(42)	66	108
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(6)	(6)	--
Revenue over (under) Expenditure and Other Use	(48)	60	108
Unreserved - Undesignated Fund Balance - July 1	102	208	106
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	54	268	\$ 214
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		9	
Expenditures - prior year encumbrances		(19)	
Decrease in reserved for encumbrances		11	
Unreserved - Undesignated Fund Balance - June 30		269	
Reserved for Encumbrances - June 30		9	
Fund Balance - June 30 (GAAP Basis)		\$ 278	

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ --	\$ 13	\$ 13
CULTURE-RECREATION:			
Fees for Use of Parks	<u>70</u>	<u>64</u>	<u>(6)</u>
TOTAL WAIPIO PENINSULA SOCCER PARK FUND	<u>\$ 70</u>	<u>\$ 77</u>	<u>\$ 7</u>

CITY AND COUNTY OF HONOLULU
HONOLULU ZOO FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 2,282	\$ 2,527
Total Asset	\$ 2,282	\$ 2,527
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 112	\$ 196
Due to other fund:		
Payroll Clearance Fund	1	--
Accrued payroll	181	170
Total Liabilities	294	366
Fund Balance:		
Committed	1,988	2,161
Total Fund Balance	1,988	2,161
Total Liabilities and Fund Balance	\$ 2,282	\$ 2,527

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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 7,024	\$ 7,024	\$ --
Charges for services	5,100	4,332	(768)
Miscellaneous:			
Interest	44	27	(17)
Other	250	309	59
	<u>12,418</u>	<u>11,692</u>	<u>(726)</u>
Total Revenues			
Expenditures:			
Current:			
Culture-recreation:			
Enterprise Services	7,811	7,477	334
Miscellaneous:			
Retirement and health benefits:			
Provisional	3,183	2,963	220
Other:			
Provisional	346	70	276
	<u>3,529</u>	<u>3,033</u>	<u>496</u>
Total Miscellaneous			
Total Expenditures	<u>11,340</u>	<u>10,510</u>	<u>830</u>
Revenues over Expenditures	<u>1,078</u>	<u>1,182</u>	<u>104</u>
Other Finance Source (Uses):			
Transfer in	2,841	2,841	--
Transfers out:			
Debt service	(3,425)	(3,425)	--
Reimbursement for central administrative service expenses	(738)	(738)	--
	<u>(1,322)</u>	<u>(1,322)</u>	<u>--</u>
Total Other Financing Source (Uses)			
Revenues and Other Source under Expenditures and Other Uses	<u>(244)</u>	<u>(140)</u>	<u>104</u>
Unreserved - Undesignated Fund Balance - July 1	<u>244</u>	<u>1,878</u>	<u>1,634</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	<u>1,738</u>	<u>\$ 1,738</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, 2020
 (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		176	
Expenditures - prior year encumbrances		(209)	
Decrease in reserved for encumbrances		50	
Unreserved - Undesignated Fund Balance - June 30		1,755	
Reserved for Encumbrances - June 30		233	
Fund Balance - June 30 (GAAP Basis)		\$ 1,988	

CITY AND COUNTY OF HONOLULU
HONOLULU ZOO FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 7,024	\$ 7,024	\$ --
TOTAL TAXES	<u>7,024</u>	<u>7,024</u>	<u>--</u>
<u>CHARGES FOR SERVICES</u>			
<u>HIGHWAYS AND STREETS</u>			
Zoo Parking Lot	1,100	994	(106)
<u>CULTURE-RECREATION:</u>			
Honolulu Zoo	<u>4,000</u>	<u>3,338</u>	<u>(662)</u>
TOTAL CHARGES FOR SERVICES	<u>5,100</u>	<u>4,332</u>	<u>(768)</u>
<u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	44	27	(17)
<u>OTHER MISCELLANEOUS:</u>			
Concessions:			
Food Concession - Honolulu Zoo	250	288	38
Other:			
Vacation Accumulation Deposits	--	11	11
Sundry Refunds	--	10	10
Total Other Miscellaneous	<u>250</u>	<u>309</u>	<u>59</u>
TOTAL MISCELLANEOUS	<u>294</u>	<u>336</u>	<u>42</u>
TOTAL REVENUES	<u>12,418</u>	<u>11,692</u>	<u>(726)</u>
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFERS FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	<u>2,841</u>	<u>2,841</u>	<u>--</u>
TOTAL OTHER FINANCING SOURCE	<u>2,841</u>	<u>2,841</u>	<u>--</u>
TOTAL HONOLULU ZOO FUND	<u>\$ 15,259</u>	<u>\$ 14,533</u>	<u>\$ (726)</u>

CITY AND COUNTY OF HONOLULU
GOLF FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 1,869	\$ 3,145
Receivable:		
Payroll advance	74	75
Total Assets	\$ 1,943	\$ 3,220
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 166	\$ 154
Due to other fund:		
Payroll Clearance Fund	1	1
Accrued payroll	251	226
Total Liabilities	418	381
Fund Balance:		
Committed	1,525	2,839
Total Fund Balance	1,525	2,839
Total Liabilities and Fund Balance	\$ 1,943	\$ 3,220

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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 6,469	\$ 5,226	\$ (1,243)
Miscellaneous:			
Other	3,246	2,478	(768)
Total Revenues	9,715	7,704	(2,011)
Expenditures:			
Current:			
Culture-recreation:			
Enterprise Services	10,992	10,312	680
Miscellaneous:			
Retirement and health benefits:			
Provisional	4,284	3,993	291
Other:			
Provisional	365	182	183
Total Miscellaneous	4,649	4,175	474
Total Expenditures	15,641	14,487	1,154
Revenues under Expenditures	(5,926)	(6,783)	(857)
Other Finance Source (Uses):			
Transfer in	7,537	7,537	--
Transfers out:			
Debt service	(2,069)	(2,069)	--
Reimbursement for central administrative service expenses	(886)	--	886
Total Other Financing Source (Uses)	4,582	5,468	886
Revenues and Other Source under Expenditures and Other Uses	(1,344)	(1,315)	29
Unreserved - Undesignated Fund Balance - July 1	1,344	2,308	964
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	993	\$ 993

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, 2020
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		380	
Expenditures - prior year encumbrances		(379)	
Decrease in reserved for encumbrances		<u>110</u>	
Unreserved - Undesignated Fund Balance - June 30		1,104	
Reserved for Encumbrances - June 30		<u>421</u>	
Fund Balance - June 30 (GAAP Basis)		<u><u>\$ 1,525</u></u>	

CITY AND COUNTY OF HONOLULU
GOLF FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 6,469	\$ 5,226	\$ (1,243)
TOTAL CHARGES FOR SERVICES	6,469	5,226	(1,243)
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Golf Cart Rentals	2,545	2,078	(467)
Rental for Use of Land	--	6	6
Total Rents	2,545	2,084	(461)
Concessions:			
Food Concession - Golf Courses	111	67	(44)
Golf Course - Pro Shops	15	5	(10)
Golf Course - Driving Range	575	316	(259)
Total Concessions	701	388	(313)
Other:			
Vacation Accumulation Deposits	--	4	4
Sundry Refunds	--	2	2
Total Other	--	6	6
TOTAL MISCELLANEOUS	3,246	2,478	(768)
TOTAL REVENUES	9,715	7,704	(2,011)
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	7,537	7,537	--
TOTAL OTHER FINANCING SOURCE	7,537	7,537	--
TOTAL GOLF FUND	\$ 17,252	\$ 15,241	\$ (2,011)

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 3,804	\$ 3,126
Receivable:		
Payroll advance	102	102
Total Assets	\$ 3,906	\$ 3,228
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 133	\$ 174
Due to other fund:		
General Trust Fund	--	5
Accrued payroll	184	181
Total Liabilities	317	360
Fund Balance:		
Committed	3,589	2,868
Total Fund Balance	3,589	2,868
Total Liabilities and Fund Balance	\$ 3,906	\$ 3,228

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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 98	\$ 33	\$ (65)
Miscellaneous:			
Interest	83	53	(30)
Other	8,537	7,452	(1,085)
Total Revenues	8,718	7,538	(1,180)
Expenditures:			
Current:			
Culture-recreation:			
Enterprise Services	8,155	7,011	1,144
Miscellaneous:			
Retirement and health benefits:			
Provisional	3,924	3,501	423
Other:			
Provisional	912	191	721
Total Miscellaneous	4,836	3,692	1,144
Total Expenditures	12,991	10,703	2,288
Revenues under Expenditures	(4,273)	(3,165)	1,108
Other Financing Source (Uses):			
Transfer in	7,079	7,079	--
Transfers out:			
Debt service	(2,762)	(2,762)	--
Reimbursement for central administrative service expenses	(787)	(787)	--
Total Other Financing Source (Uses)	3,530	3,530	--

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, 2020
 (Amounts in thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues and Other Source over (under) Expenditures and Other Uses	(743)	365	1,108
Unreserved - Undesignated Fund Balance - July 1	743	2,419	1,676
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	2,784	\$ 2,784
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		558	
Expenditures - prior year encumbrances		(202)	
Increase in reserved for encumbrances		(318)	
Unreserved - Undesignated Fund Balance - June 30		2,822	
Reserved for Encumbrances - June 30		767	
Fund Balance - June 30 (GAAP Basis)		\$ 3,589	

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Surcharge on Auditorium Tickets	\$ 90	\$ 30	\$ (60)
Other	<u>8</u>	<u>3</u>	<u>(5)</u>
TOTAL CHARGES FOR SERVICES	<u>98</u>	<u>33</u>	<u>(65)</u>
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	83	53	(30)
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	13	23	10
Rental of Auditorium Facilities	2,000	1,780	(220)
Auditorium Equipment Rental	<u>1,531</u>	<u>899</u>	<u>(632)</u>
Total Rents	<u>3,544</u>	<u>2,702</u>	<u>(842)</u>
Concessions:			
Food Concession - Auditoriums	500	664	164
Food Concession - Parks	140	207	67
Parking - Auditoriums	2,400	2,082	(318)
Novelty Sales Concession - Auditoriums	30	107	77
Other - Auditoriums	1	--	(1)
Beach Concession - Parks	1,860	1,567	(293)
Pouring Rights	50	87	37
Other Concessions	<u>12</u>	<u>32</u>	<u>20</u>
Total Concessions	<u>4,993</u>	<u>4,746</u>	<u>(247)</u>

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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:			
Sundry Refunds	--	4	4
Total Other	--	4	4
Total Other Miscellaneous	8,537	7,452	(1,085)
TOTAL MISCELLANEOUS	8,620	7,505	(1,115)
TOTAL REVENUES	8,718	7,538	(1,180)
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	7,079	7,079	--
TOTAL OTHER FINANCING SOURCE	7,079	7,079	--
TOTAL SPECIAL EVENTS FUND	<u>\$ 15,797</u>	<u>\$ 14,617</u>	<u>\$ (1,180)</u>

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 18,751	\$ 18,089
Receivables:		
Intergovernmental	1,039	1,306
Payroll advance	16	17
Due from other fund:		
Community Development Fund	8	--
Total Assets	\$ 19,814	\$ 19,412
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 722	\$ 858
Due to other funds:		
General Fund	216	852
Federal Grants Fund	144	193
Payroll Clearance Fund	--	--
Accrued payroll	140	131
Total Liabilities	1,222	2,034
Fund Balance:		
Restricted	18,592	17,378
Total Fund Balance	18,592	17,378
Total Liabilities and Fund Balance	\$ 19,814	\$ 19,412

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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 17,917	\$ 30,797	\$ 17,400	\$ (13,397)
Charges for services	530	530	817	287
Miscellaneous:				
Interest	--	--	14	14
Other	205	787	1,164	377
Total Revenues	<u>18,652</u>	<u>32,114</u>	<u>19,395</u>	<u>(12,719)</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	--	98	76	22
City Clerk	--	499	499	--
Information Technology	--	1,326	1,003	323
Mayor	--	642	574	68
Planning and Permitting	--	82	67	15
Prosecuting Attorney	1,898	2,215	894	1,321
Total General government	<u>1,898</u>	<u>4,862</u>	<u>3,113</u>	<u>1,749</u>
Public safety:				
Emergency Management	35	35	33	2
Emergency Services	697	1,588	1,142	446
Fire	--	2,810	1,455	1,355
Police	--	4,091	2,052	2,039
Transportation Services	133	879	879	--
Total Public safety	<u>865</u>	<u>9,403</u>	<u>5,561</u>	<u>3,842</u>
Human services:				
Community Services	13,470	17,681	6,872	10,809
Culture-recreation:				
Enterprise Services	--	109	14	95
Mayor	--	4	--	4
Parks and Recreation	--	3,415	2,656	759
Total Culture-recreation	<u>--</u>	<u>3,528</u>	<u>2,670</u>	<u>858</u>
Utilities or other enterprises:				
Transportation Services	--	45	45	--
Total Expenditures	<u>16,233</u>	<u>35,519</u>	<u>18,261</u>	<u>17,258</u>
Revenues over (under) Expenditures	2,419	(3,405)	1,134	4,539
Unreserved - Undesignated Fund Balance - July 1	--	--	(6,668)	(6,668)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 2,419</u>	<u>\$ (3,405)</u>	(5,534)	<u>\$ (2,129)</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, 2020
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			8,081	
Expenditures - prior year encumbrances			(8,001)	
Increase in reserved for encumbrances			(53)	
Unreserved - Undesignated Fund				
Balance - June 30			(5,507)	
Reserved for Encumbrances - June 30			24,099	
Fund Balance - June 30 (GAAP Basis)			\$ 18,592	

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>				
STATE GRANTS:				
Department of the Attorney General	\$ 2,093	\$ 2,093	\$ 838	\$ (1,255)
Department of the Budget and Finance	165	165	--	(165)
Department of Business, Economic Development and Tourism	--	2,249	2,249	--
Department of Defense	35	35	33	(2)
Department of Health	11,194	11,309	4,602	(6,707)
Department of Human Services	1,494	5,682	3,180	(2,502)
Department of Labor and Industrial Relations	202	451	249	(202)
Department of Land and Natural Resources	697	697	650	(47)
Department of Transportation	291	937	779	(158)
Hawaii Tourism Authority	--	744	733	(11)
Wireless Enhanced 911 Board	1,300	5,490	3,588	(1,902)
State Grants-Other	446	945	499	(446)
TOTAL INTERGOVERNMENTAL	<u>17,917</u>	<u>30,797</u>	<u>17,400</u>	<u>(13,397)</u>
<u>CHARGES FOR SERVICES</u>				
PUBLIC SAFETY:				
Plan Review Fee	530	530	817	287
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	14	14
OTHER MISCELLANEOUS:				
Contributions from Private Sources:				
Contributions to the City	50	632	671	39
Repayments of Department of Housing and Community Development Loans:				
Principal	155	155	--	(155)
Other:				
Other	--	--	438	438
Sundry Refunds	--	--	55	55
Total Other Miscellaneous	<u>--</u>	<u>--</u>	<u>493</u>	<u>493</u>
TOTAL MISCELLANEOUS	<u>205</u>	<u>787</u>	<u>1,178</u>	<u>391</u>
TOTAL SPECIAL PROJECTS FUND	<u>\$ 18,652</u>	<u>\$ 32,114</u>	<u>\$ 19,395</u>	<u>\$ (12,719)</u>

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 374,325	\$ 16,929
Receivables:		
Loans	2,929	3,269
Intergovernmental	1,565	17,314
Payroll advance	72	79
Due from other funds:		
Community Development Fund	4	8
Special Projects Fund	144	193
Housing and Community Development Section 8 Contract Fund	1	--
	\$ 379,040	\$ 37,792
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 11,234	\$ 1,007
Due to other funds:		
General Fund	423	15,840
Federal Grants Capital Projects Fund	--	8
General Trust Fund	3	--
Accrued payroll	121	120
	11,781	16,975
Deferred Inflow:		
Deferred inflow	328,064	3,269
	328,064	3,269
Fund Balance:		
Restricted	39,195	17,548
	39,195	17,548
	\$ 379,040	\$ 37,792

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, 2020
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 41,253	\$ 449,566	\$ 103,906	\$ (345,660)
Miscellaneous:				
Interest	--	--	100	100
Other	988	988	6	(982)
Total Revenues	42,241	450,554	104,012	(346,542)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	993	6,743	6,139	604
City Clerk	--	37	37	--
City Council	--	75	75	--
Corporation Council	--	200	200	--
Customer Services	--	1,129	1,129	--
Design and Construction	720	760	746	14
Facility Maintenance	--	3,600	3,600	--
Human Resources	--	500	500	--
Information Technology	59	829	770	59
Land Management	--	705	705	--
Mayor	--	84,567	84,567	--
Office of the City Auditor	--	38	38	--
Office of Council Services	--	20	20	--
Planning and Permitting	--	422	392	30
Prosecuting Attorney	932	3,092	2,783	309
Total General government	2,704	102,717	101,701	1,016
Public safety:				
Emergency Management	--	58,147	53,522	4,625
Emergency Services	--	41,830	41,830	--
Fire	--	22,126	22,073	53
Medical Examiner	--	223	102	121
Police	--	77,701	67,447	10,254
Transportation Services	149	2,414	2,295	119
Total Public safety	149	202,441	187,269	15,172
Highways and streets:				
Facility Maintenance	--	62	62	--

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, 2020
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Sanitation:				
Environmental Services	--	25	25	--
Human services:				
Community Services	16,623	122,243	114,811	7,432
Culture-recreation:				
Enterprise Services	--	878	878	--
Parks and Recreation	200	1,420	1,398	22
Total Culture-recreation	200	2,298	2,276	22
Utilities or other enterprises:				
Board of Water Supply	--	1,372	1,372	--
Transportation Services	21,000	29,952	29,952	--
Total Utilities or other enterprise	21,000	31,324	31,324	--
Total Expenditures	40,676	461,110	437,468	23,642
Revenues over (under) Expenditures	1,565	(10,556)	(333,456)	(322,900)
Unreserved - Undesignated Fund Balance - July 1	--	--	(2,787)	(2,787)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,565	\$ (10,556)	(336,243)	\$ (325,687)
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			360,487	
Expenditures - prior year encumbrances			(5,384)	
Increase in reserved for encumbrances			(354,788)	
Unreserved - Undesignated Fund Balance - June 30			(335,928)	
Reserved for Encumbrances - June 30			375,123	
Fund Balance - June 30 (GAAP Basis)			\$ 39,195	

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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	\$ 202	\$ 202	\$ 178	\$ (24)
Department of Commerce	--	100	--	(100)
Department of Education	172	192	269	77
Department of Health and Human Services	6,608	8,037	2,982	(5,055)
Department of Homeland Security	--	6,436	1,630	(4,806)
Department of Housing and Urban Development	6,422	6,432	2,492	(3,940)
Department of Justice	1,936	4,858	3,117	(1,741)
Department of Labor	4,791	4,791	3,143	(1,648)
Department of Transportation	21,122	29,663	26,568	(3,095)
Environmental Protection Agency	--	30	26	(4)
Office of National Drug Control Policy	--	1,649	1,457	(192)
Other Agencies	--	--	3	3
Total Federal Grants	41,253	62,390	41,865	(20,525)
OTHER FINANCIAL ASSISTANCE:				
Department of Treasury	--	387,176	62,041	(325,135)
TOTAL INTERGOVERNMENTAL	41,253	449,566	103,906	(345,660)
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	100	100
OTHER MISCELLANEOUS:				
Other:				
Other	988	988	6	(982)
Total Other	988	988	6	(982)
TOTAL MISCELLANEOUS	988	988	106	(882)
TOTAL FEDERAL GRANTS FUND	\$ 42,241	\$ 450,554	\$ 104,012	\$ (346,542)

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
REHABILITATION LOAN FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,453	\$ 6,457
Receivables:		
Loans	7,068	7,689
Total Assets	\$ 13,521	\$ 14,146
<u>DEFERRED INFLOW AND FUND BALANCE</u>		
Deferred Inflow:		
Deferred inflow	\$ 7,068	\$ 7,689
Total Deferred Inflow	7,068	7,689
Fund Balance:		
Restricted	6,453	6,457
Total Fund Balance	6,453	6,457
Total Deferred Inflow and Fund Balance	\$ 13,521	\$ 14,146

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, 2020
(Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Miscellaneous:				
Interest	\$ --	\$ --	\$ 79	\$ 79
Other	3,004	3,004	672	(2,332)
Total Revenues	3,004	3,004	751	(2,253)
Expenditure:				
Current:				
Human services:				
Community Services	3,004	2,759	1,066	1,693
Capital improvements:				
Human Services:				
Community Services	400	400	400	--
Total Expenditure	3,404	3,159	1,466	1,693
Revenues under Expenditure	(400)	(155)	(715)	(560)
Other Financing Source (Use):				
Transfer in:				
Other	400	400	--	(400)
Transfer out:				
Other	--	(245)	(245)	--
Total Other Financing (Source) Use	400	155	(245)	(400)
Revenues under Expenditure and Other Use	--	--	(960)	(960)
Unreserved - Undesignated Fund Balance - July 1	504	504	(33)	(537)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 504	\$ 504	(993)	\$ (1,497)
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			1,065	
Expenditures - prior year encumbrances			(109)	
Increase in reserved for encumbrances			(311)	
Unreserved - Undesignated Fund Balance - June 30			(348)	
Reserved for Encumbrances - June 30			6,801	
Fund Balance - June 30 (GAAP Basis)			\$ 6,453	

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, 2020
(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	\$ --	\$ 79	\$ 79
	<hr/>	<hr/>	<hr/>
Total Interest	--	79	79
	<hr/>	<hr/>	<hr/>
<u>OTHER MISCELLANEOUS:</u>			
Repayments of Department of Housing and Community Development Loans:			
Principal	3,004	651	(2,353)
Interest	--	17	17
Late Charge	--	4	4
	<hr/>	<hr/>	<hr/>
Total Other Miscellaneous	3,004	672	(2,332)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	3,004	751	(2,253)
	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
Community Development Fund	400	--	(400)
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCE	400	--	(400)
	<hr/>	<hr/>	<hr/>
TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND	<u>\$ 3,404</u>	<u>\$ 751</u>	<u>\$ (2,653)</u>

CITY AND COUNTY OF HONOLULU
PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 1,010	\$ 990
Total Asset	\$ 1,010	\$ 990
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 1,010	\$ 990
Total Fund Balance	\$ 1,010	\$ 990

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, 2020
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ --	\$ 20	\$ 20
Total Revenue	--	20	20
Unreserved - Undesignated Fund Balance - July 1	973	990	17
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 973	1,010	\$ 37
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		--	
Unreserved - Undesignated Fund Balance - June 30		1,010	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 1,010	

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, 2020
 (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	\$ --	\$ 20	\$ 20
	<u> </u>	<u> </u>	<u> </u>
TOTAL PAUahi PROJECT EXPENDITURES, HAWAII R-15 FUND	<u>\$ --</u>	<u>\$ 20</u>	<u>\$ 20</u>

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
SECTION 8 CONTRACT FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 8,432	\$ 6,972
Receivables:		
Accounts (net of allowance for uncollectibles)	110	119
Loans	3,648	3,648
Intergovernmental	49	72
Payroll advance	47	47
Total Assets	\$ 12,286	\$ 10,858
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 273	\$ 135
Due to other funds:		
General Fund	96	163
Federal Grants Fund	1	--
Accrued payroll	136	101
Total Liabilities	506	399
Deferred Inflow:		
Deferred inflow	3,807	3,838
Total Deferred Inflow	3,807	3,838
Fund Balance:		
Restricted	7,973	6,621
Total Fund Balance	7,973	6,621
Total Liabilities, Deferred Inflow and Fund Balance	\$ 12,286	\$ 10,858

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, 2020
(Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 59,345	\$ 63,745	\$ 62,428	\$ (1,317)
Miscellaneous:				
Interest	--	--	96	96
Other	--	--	135	135
Total Revenues	59,345	63,745	62,659	(1,086)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	154	154	136	18
Human services:				
Community Services	59,191	63,591	62,470	1,121
Total Expenditures	59,345	63,745	62,606	1,139
Revenues over Expenditures	--	--	53	53
Unreserved - Undesignated Fund Balance - July 1	--	--	(629)	(629)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ --	(576)	\$ (576)
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			1,371	
Expenditures - prior year encumbrances			(72)	
Increase in reserved for encumbrances			(1,287)	
Unreserved - Undesignated Fund Balance - June 30			(564)	
Reserved for Encumbrances - June 30			8,537	
Fund Balance - June 30 (GAAP Basis)			\$ 7,973	

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, 2020
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>				
FEDERAL GRANTS:				
Section 8 Grants:				
Moderate Rehabilitation Program, (001)	\$ 177	\$ 177	\$ --	\$ (177)
Existing Housing Voucher Program	57,808	62,208	60,903	(1,305)
Mainstream Voucher	<u>1,360</u>	<u>1,360</u>	<u>1,525</u>	<u>165</u>
TOTAL INTERGOVERNMENTAL	<u>59,345</u>	<u>63,745</u>	<u>62,428</u>	<u>(1,317)</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	69	69
Other Sources	<u>--</u>	<u>--</u>	<u>27</u>	<u>27</u>
Total Interest	<u>--</u>	<u>--</u>	<u>96</u>	<u>96</u>
OTHER MISCELLANEOUS:				
Other:				
Escheats	--	--	133	133
Sundry Refunds	<u>--</u>	<u>--</u>	<u>2</u>	<u>2</u>
Total Other Miscellaneous	<u>--</u>	<u>--</u>	<u>135</u>	<u>135</u>
TOTAL MISCELLANEOUS	<u>--</u>	<u>--</u>	<u>231</u>	<u>231</u>
TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND	<u>\$ 59,345</u>	<u>\$ 63,745</u>	<u>\$ 62,659</u>	<u>\$ (1,086)</u>

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 181	\$ 179
Total Asset	\$ 181	\$ 179
<u>DEFERRED INFLOW AND FUND BALANCE</u>		
Deferred Inflow:		
Deferred inflow	\$ 42	\$ 42
Total Deferred Inflow	42	42
Fund Balance:		
Committed	139	137
Total Fund Balance	139	137
Total Deferred Inflow and Fund Balance	\$ 181	\$ 179

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, 2020
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenue:			
Miscellaneous:			
Interest	\$ --	\$ 2	\$ 2
Total Revenue	--	2	2
Unreserved - Undesignated Fund Balance - July 1	<u>123</u>	<u>127</u>	<u>4</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 123</u>	129	<u>\$ 6</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30		129	
Reserved for Encumbrances - June 30		<u>10</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 139</u>	

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (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, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Totals	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>ASSET</u>				
Cash and investments:				
With Treasury	\$ 1,962	\$ 237	\$ 2,199	\$ 2,194
Total Asset	<u>\$ 1,962</u>	<u>\$ 237</u>	<u>\$ 2,199</u>	<u>\$ 2,194</u>
 <u>FUND BALANCES</u>				
Fund Balances:				
Committed	\$ 1,962	\$ 237	\$ 2,199	\$ 2,194
Total Fund Balances	<u>\$ 1,962</u>	<u>\$ 237</u>	<u>\$ 2,199</u>	<u>\$ 2,194</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, 2020
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Totals	
			<u>2020</u>	<u>2019</u>
Revenue:				
Miscellaneous:				
Interest	\$ --	\$ 5	\$ 5	\$ 4
Total Revenue	--	5	5	4
Fund Balances - July 1	<u>1,962</u>	<u>232</u>	<u>2,194</u>	<u>2,190</u>
Fund Balances - June 30	<u>\$ 1,962</u>	<u>\$ 237</u>	<u>\$ 2,199</u>	<u>\$ 2,194</u>

CITY AND COUNTY OF HONOLULU
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 74,083	\$ 45,915
With fiscal agents	--	41,839
Due from other fund:		
General Improvement Bond Fund	--	5
Advance to component unit	725,833	553,134
Total Assets	\$ 799,916	\$ 640,893
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured	\$ 135	\$ 135
Bonds payable - matured	174	174
Total Liabilities	309	309
Fund Balance:		
Committed	799,607	640,584
Total Fund Balance	799,607	640,584
Total Liabilities and Fund Balance	\$ 799,916	\$ 640,893

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, 2020
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
Revenues:		
Miscellaneous:		
Recoveries:		
Honolulu Authority for Rapid Transportation	\$ 34,284	\$ 9,737
Other:		
Interest	338	683
Total Revenues	34,622	10,420
Expenditures:		
Tax exempt commercial paper:		
Principal	--	50,000
Interest	1,533	2,658
Notes payable:		
Principal	204	244
Interest	24	33
General obligation bonds:		
Principal	160,724	142,554
Interest	143,936	114,037
Bond issuance costs	2,629	1,820
Total Expenditures	309,050	311,346
Revenues under Expenditures	(274,428)	(300,926)
Other Financing Sources (Uses):		
Issuance of tax exempt commercial paper	--	50,000
Issuance of general obligation bonds	176,286	126,785
Bond premium	25,061	24,539
Issuance of refunding bonds	378,337	124,054
Bond premium on refunding bonds	78,549	20,594
Bond discount on refunding bonds	--	(141)
Transfers from other funds:		
General Fund - Principal	160,928	142,798
General Fund - Interest	111,105	104,240
Payment to escrow agent for refunding of tax exempt commercial paper	--	(144,000)
Payment to escrow agent for refunding of general obligation bonds	(496,815)	--
Total Other Financing Sources (Uses)	433,451	448,869
Revenues and Other Financing Sources over Expenditures and Other Uses	159,023	147,943
Fund Balances - July 1	640,584	492,641
Fund Balances - June 30	\$ 799,607	\$ 640,584

CITY AND COUNTY OF HONOLULU
IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Cash and investments:		
With Treasury	\$ 172	\$ 172
Receivables:		
Special assessments - current	1	1
Special assessments - non-current	1	1
Total Assets	<u>\$ 174</u>	<u>\$ 174</u>
 <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured	\$ 3	\$ 3
Bonds payable - matured	5	5
Total Liabilities	<u>8</u>	<u>8</u>
Deferred Inflow:		
Deferred inflow	1	1
Total Deferred Inflow	<u>1</u>	<u>1</u>
Fund Balance:		
Committed	<u>165</u>	<u>165</u>
Total Fund Balance	<u>165</u>	<u>165</u>
Total Liabilities, Deferred Inflow and Fund Balance	<u>\$ 174</u>	<u>\$ 174</u>

CITY AND COUNTY OF HONOLULU
IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
Revenues:		
Special assessments	\$ --	\$ 3
Total Revenues	--	3
Other Financing Use:		
Transfer to other fund:		
Capital Projects Fund	--	(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, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 85,551	\$ 26,345
Receivable:		
Payroll advance	9	9
Due from other fund:		
Highway Fund	--	1
	\$ 85,560	\$ 26,355
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 11,881	\$ 12,220
Due to other funds:		
General Fund	--	40,000
General Obligation Bond and Interest Redemption Fund	--	5
Accrued payroll	6	6
	11,887	52,231
Fund Balance:		
Committed	73,673	--
Unassigned	--	(25,876)
	73,673	(25,876)
Total Fund Balance	73,673	(25,876)
Total Liabilities and Fund Balance	\$ 85,560	\$ 26,355

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, 2020
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
Revenues:		
Fines and forfeits	\$ 36	\$ --
Miscellaneous:		
Other	123	--
	159	--
Total Revenue		
Expenditures:		
Current:		
General government	1,026	152
Public safety	1,927	1,711
Highways and streets	210	145
Human services	35	5
Culture-recreation	2,986	1,413
Utilities or other enterprises	25,000	44,005
Capital outlay:		
General government	25,352	41,769
Public safety	23,599	28,241
Highways and streets	4,493	3,300
Human services	26,193	19,822
Culture-recreation	24,597	31,237
Utilities or other enterprises	201	338
	135,619	172,138
Total Expenditures	135,619	172,138
Revenue under Expenditures	(135,460)	(172,138)
Other Financing Sources (Use):		
Issuance of tax exempt commercial paper	--	44,000
Issuance of general obligation bonds	200,470	113,634
Bond premium	34,539	14,482
Bond discount	--	(114)
	235,009	172,002
Total Other Financing Sources (Use)	235,009	172,002
Revenue and Other Sources over (under) Expenditures and Other Use.....	99,549	(136)
Fund Balance - July 1	(25,876)	(25,740)
Fund Balance - June 30	\$ 73,673	\$ (25,876)

CITY AND COUNTY OF HONOLULU
HIGHWAY IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 68,134	\$ 100,371
Total Asset	\$ 68,134	\$ 100,371
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 27,558	\$ 39,447
Due to other fund:		
General Trust Fund	33	--
Accrued payroll	--	4
Total Liabilities	27,591	39,451
Fund Balance:		
Committed	40,543	60,920
Total Fund Balance	40,543	60,920
Total Liabilities and Fund Balance	\$ 68,134	\$ 100,371

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, 2020
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
Revenue:		
Miscellaneous:		
Other	\$ 131	\$ 117
Total Revenue	131	117
Expenditures:		
Current:		
Public safety	61	149
Highways and streets	19,346	8,240
Utilities or other enterprises	5,239	3,666
Capital outlay:		
General government	4,141	1,128
Public safety	1,290	1,416
Highways and streets	52,392	83,474
Utilities or other enterprises	3,042	4,390
Total Expenditures	85,511	102,463
Revenue under Expenditures	(85,380)	(102,346)
Other Financing Sources (Use):		
Issuance of general obligation bonds	55,340	164,237
Bond premium	9,663	20,931
Bond discount	--	(165)
Total Other Financing Sources (Use)	65,003	185,003
Revenue and Other Sources over (under) Expenditures and Other Use.....	(20,377)	82,657
Fund Balance - July 1	60,920	(21,737)
Fund Balance - June 30	\$ 40,543	\$ 60,920

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2020
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
(Amounts in thousands)

	2020	2019
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 13,472	\$ 13,706
Receivables:		
Loans (net of allowance for uncollectibles)	52,355	54,314
Intergovernmental	4,778	4,743
Due from other fund:		
Federal Grants Fund Fund	--	8
	\$ 70,605	\$ 72,771
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 3,516	\$ 4,412
Accrued payroll	--	2
	3,516	4,414
Deferred Inflow:		
Deferred inflow	52,623	54,314
	52,623	54,314
Fund Balance:		
Restricted	14,466	14,043
	14,466	14,043
	\$ 70,605	\$ 72,771

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, 2020
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Amounts in thousands)

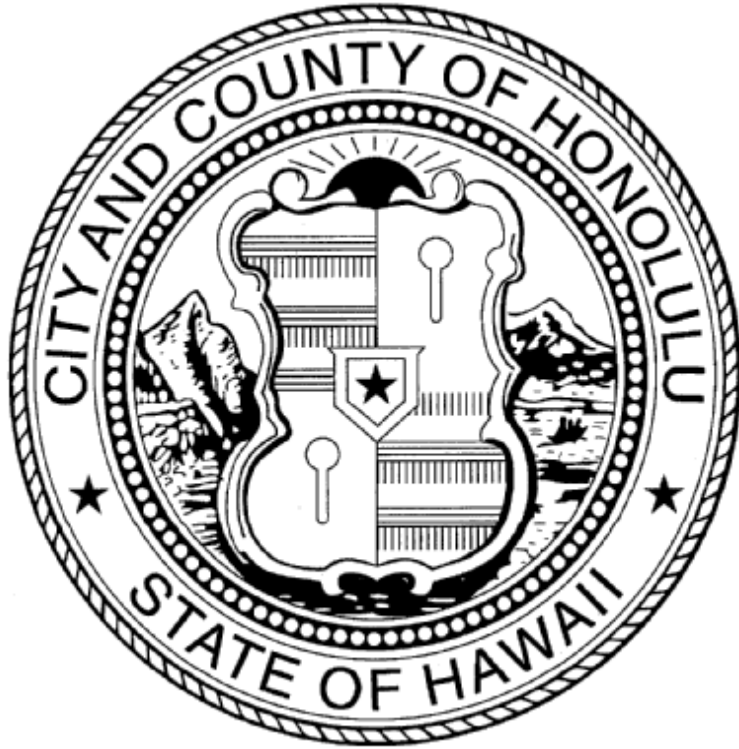
	2020	2019
Revenues:		
Intergovernmental	\$ 17,505	\$ 19,572
Miscellaneous:		
Other	--	9
Total Revenues	17,505	19,581
Expenditures:		
Current:		
Public safety	--	49
Human services	1,968	2,699
Utilities or other enterprises	9,929	9,792
Capital outlay:		
Public safety	1,423	162
Highways and streets	79	66
Human services	1,439	--
Utilities or other enterprises	2,244	6,731
Total Expenditures	17,082	19,499
Revenues over Expenditures	423	82
Fund Balance - July 1	14,043	13,961
Fund Balance - June 30	\$ 14,466	\$ 14,043

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 13,773	\$ 13,773
Total Asset	\$ 13,773	\$ 13,773
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 13,773	\$ 13,773
Total Fund Balance	\$ 13,773	\$ 13,773

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Amounts in thousands)

	2020	2019
Expenditures:		
Current:		
General government	\$ --	\$ 53
Public Safety	--	35
Highways and streets	--	806
Culture-recreation	--	1
Capital outlay:		
Public safety	--	175
Total Expenditures	--	1,070
Revenue under Expenditures	--	(1,070)
Other Financing Source:		
Transfer from other fund:		
Improvement District Bond and Interest Redemption Fund	--	3
Total Other Financing Source	--	3
Revenue and Other Source under Expenditures.....	--	(1,067)
Fund Balance - July 1	13,773	14,840
Fund Balance - June 30	\$ 13,773	\$ 13,773



**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 Trends265

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 Capacity270

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 Capacity274

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 Information281

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 Information286

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 2011 - 2020
(Amounts in thousands)
(Unaudited)

	Fiscal Year										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	
Governmental activities											
Net investment in capital assets	\$ 606,519	\$ 256,353	\$ 308,647	\$ 325,818	\$ 177,798	\$ 161,115	\$ 208,205	\$ 101,107	\$ 118,289	\$ 500,169	
Restricted	799,772	640,749	492,806	165	165	166	13	168	169	170	
Unrestricted	(3,680,880)	(3,417,838)	(3,211,958)	(1,503,882)	(1,171,866)	(1,094,601)	21,467	145,412	69,474	551,180	
Total governmental activities net position	(2,274,589)	(2,520,736)	(2,410,505)	(1,177,899)	(993,903)	(933,320)	229,685	246,687	187,932	1,051,519	
Business-type activities											
Net investment in capital assets	1,528,125	1,315,261	1,208,491	1,225,731	1,117,427	1,011,958	900,120	837,381	808,975	725,532	
Restricted	181,860	259,977	260,091	165,226	174,514	181,029	178,187	177,890	171,010	158,662	
Unrestricted	915,346	869,210	775,038	814,948	693,728	562,191	620,571	579,850	513,990	408,635	
Total business-type activities net position	2,625,331	2,444,448	2,243,620	2,205,905	1,985,669	1,755,178	1,698,878	1,595,121	1,493,975	1,292,829	
Primary government											
Net investment in capital assets	2,134,644	1,571,614	1,517,138	1,551,549	1,295,225	1,173,073	1,108,325	938,488	927,264	1,225,701	
Restricted	981,632	900,726	752,897	165,391	174,679	181,195	178,200	178,058	171,179	158,832	
Unrestricted	(2,765,534)	(2,548,628)	(2,436,920)	(688,934)	(478,138)	(532,410)	642,038	725,262	583,464	959,815	
Total primary government net position	\$ 350,742	\$ (76,286)	\$ (166,865)	\$ 1,028,006	\$ 991,766	\$ 821,858	\$ 1,928,563	\$ 1,841,808	\$ 1,681,907	\$ 2,344,348	

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.

Amounts prior to fiscal year 2019 have not been restated for GASB 83.

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2011-2020
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government.....	872,700	774,499	779,702	733,242	571,486	487,753	482,303	468,295	497,328	455,874
Public safety.....	547,864	524,312	492,692	482,925	455,908	442,822	418,904	393,224	407,275	390,780
Highways and streets.....	113,417	98,418	77,271	71,282	68,050	50,831	47,620	38,683	100,883	46,315
Sanitation.....	439	264	254	1,033	3,708	3,822	3,773	4,298	4,451	5,292
Human services.....	104,227	116,412	127,631	98,516	97,550	90,965	91,546	82,806	94,213	80,647
Culture and recreation.....	154,387	134,774	127,937	122,453	124,917	109,127	108,128	106,457	124,939	91,944
Utilities or other enterprises.....	60,065	79,848	34,531	45,333	55,311	60,032	35,876	84,856	38,847	79,969
Interest.....	112,590	102,230	86,956	72,528	90,219	80,126	85,774	76,914	93,079	91,583
Total governmental activities expenses	1,965,689	1,830,757	1,726,974	1,627,312	1,467,149	1,325,478	1,273,924	1,255,533	1,361,015	1,242,404
Business-type activities:										
Housing.....	11,849	12,288	12,182	13,062	11,554	11,562	15,928	11,728	12,221	14,481
Sewer.....	290,583	300,324	281,183	248,825	239,711	252,448	276,958	260,806	237,673	209,625
Solid Waste.....	223,509	215,436	207,239	204,258	191,005	174,651	190,254	166,160	166,078	163,534
Public Transportation.....	301,089	287,876	276,209	282,397	255,718	250,925	238,832	239,351	226,614	221,211
Total business-type activities expenses	827,030	815,924	776,813	728,542	697,988	689,586	721,972	678,045	642,586	608,851
Total primary government expenses	2,792,719	2,646,681	2,503,787	2,355,854	2,165,137	2,015,064	1,995,896	1,933,578	2,003,601	1,851,255
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	287,061	264,130	230,852	201,583	200,705	199,034	194,435	194,451	191,634	165,620
Public safety.....	48,275	48,372	44,372	44,686	41,946	40,765	41,761	39,729	40,188	38,582
Highways and streets.....	394	316	88	189	195	183	1,541	347	1,077	2,205
Sanitation.....	--	--	--	--	--	3	10	49	51	161
Human services.....	553	442	450	460	384	521	837	405	503	1,008
Culture and recreation.....	26,482	35,181	33,051	31,748	30,349	29,384	30,586	29,100	28,730	25,803
Utilities.....	3,646	4,296	3,816	3,183	1,925	1,922	1,066	863	946	201
Operating grants and contributions.....	193,646	134,421	135,495	125,894	121,866	141,940	150,414	116,412	122,066	111,419
Capital grants and contributions.....	305,908	19,331	16,144	28,517	41,315	9,758	13,493	54,201	55,393	64,988
Total governmental activities program revenues	865,965	506,489	464,268	436,240	438,685	423,510	434,143	435,557	440,588	409,987
Business-type activities:										
Charges for services:										
Housing.....	13,028	10,988	11,346	11,791	11,047	11,247	22,146	10,434	10,628	9,483
Sewer.....	455,467	466,065	459,636	463,862	426,540	402,472	395,333	377,970	378,199	347,038
Solid Waste.....	140,079	144,356	133,112	143,096	124,996	126,990	126,305	118,658	118,943	108,402
Public Transportation.....	46,801	57,567	56,967	54,057	55,472	57,199	57,187	57,049	56,796	53,657
Operating grants and contributions.....	23,405	21,000	21,000	21,000	21,000	26,862	21,525	27,279	21,026	21,441
Capital grants and contributions.....	15,787	16,062	7,201	18,332	39,914	25,754	14,810	26,894	58,643	33,067
Total business-type activities program revenues	694,567	716,038	689,262	712,138	678,969	650,524	637,306	618,284	644,235	573,088
Total primary government program revenues	1,560,532	1,222,527	1,153,530	1,148,378	1,117,654	1,074,034	1,071,449	1,053,841	1,084,823	983,075
Net Revenue (Expense)										
Governmental activities.....	\$ (1,099,724)	\$ (1,324,268)	\$ (1,262,706)	\$ (1,191,072)	\$ (1,028,464)	\$ (901,968)	\$ (839,781)	\$ (819,976)	\$ (920,427)	\$ (832,417)
Business-type activities.....	(132,463)	(99,886)	(87,551)	(16,404)	(19,019)	(39,062)	(84,666)	(59,761)	1,649	(35,763)
Total primary government net expense	\$ (1,232,187)	\$ (1,424,154)	\$ (1,350,257)	\$ (1,207,476)	\$ (1,047,483)	\$ (941,030)	\$ (924,447)	\$ (879,737)	\$ (918,778)	\$ (868,180)

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2011-2020
(Amounts in thousands)
(Unaudited)

(Page 2 of 2)

	2020		2019		2018		2017		2016		2015		2014		2013		2012		2011	
General Revenues and Other Changes in Net Position																				
Governmental activities:																				
General revenues:																				
Property taxes.....	\$	1,429,321	\$	1,288,664	\$	1,187,842	\$	1,099,948	\$	1,015,861	\$	950,387	\$	849,401	\$	825,518	\$	799,260	\$	804,311
Public service company tax.....		42,498		41,182		35,234		42,225		48,273		50,939		53,108		52,444		47,842		37,999
Fuel tax.....		47,042		51,140		51,790		51,992		52,764		50,503		51,424		53,825		49,220		52,298
Public utility franchise tax.....		49,684		46,615		45,207		36,056		40,967		57,555		55,259		57,514		60,475		44,801
Investment earnings.....		19,013		21,336		8,192		2,684		1,893		454		553		539		336		492
Unrestricted grants and contributions.....		37,902		45,538		45,494		45,429		45,413		45,521		41,062		41,062		41,042		224,506
Other.....		7,214		7,262		7,546		8,232		8,442		6,359		5,526		7,095		6,287		3,960
Special item:																				
Contribution to component unit.....		--		(274,070)		(242,869)		(233,326)		(245,732)		(229,939)		(219,158)		(159,266)		(749,306)		--
Transfers.....		(286,803)		1,227,667		1,138,436		1,053,240		967,881		931,779		837,173		878,731		56,840		971,249
Total governmental activities		1,345,871		1,227,667		1,138,436		1,053,240		967,881		931,779		837,173		878,731		56,840		971,249
Business-type activities:																				
General revenues:																				
Investment earnings.....		26,543		36,811		15,525		8,305		3,778		1,274		1,430		1,641		1,181		1,230
Transfers.....		286,803		274,070		242,869		233,326		245,732		229,939		219,158		159,266		198,316		197,118
Total business-type activities		313,346		310,881		258,394		241,631		249,510		231,213		220,588		160,907		199,497		198,348
Total primary government		\$ 1,659,217		\$ 1,538,548		\$ 1,396,830		\$ 1,294,871		\$ 1,217,391		\$ 1,162,992		\$ 1,057,761		\$ 1,039,638		\$ 256,337		\$ 1,169,597
Changes in Net Position																				
Governmental activities:																				
Prior period adjustments:		\$ 246,147		\$ (96,601)		\$ (124,270)		\$ (137,832)		\$ (60,583)		\$ 29,811		\$ (2,608)		\$ 58,755		\$ (863,587)		\$ 138,832
General government.....		--		(13,630)		(1,108,336)		(46,164)		--		--		(13,247)		--		--		--
Highways and streets.....		--		--		--		--		--		--		(1,052)		--		--		--
Other governmental.....		--		--		--		--		--		--		(95)		--		--		--
Total governmental activities		246,147		(110,231)		(1,232,606)		(183,996)		(60,583)		29,811		(17,002)		58,755		(863,587)		138,832
Business-type activities:																				
Prior period adjustments:		180,883		210,995		170,843		225,227		230,491		192,151		135,922		101,146		201,146		162,585
Housing.....		--		--		--		--		--		--		(158)		--		--		--
Sewer.....		--		(6,241)		(77,725)		(2,984)		--		(92,919)		(29,354)		--		--		--
Solid Waste.....		--		--		(52,927)		(1,922)		--		(59,820)		(2,653)		--		--		--
Public Transportation.....		--		(3,926)		(2,476)		(85)		--		16,888		--		--		--		--
Total business-type activities		180,883		200,828		37,715		220,236		230,491		56,300		103,757		101,146		201,146		162,585
Total primary government changes in net position		\$ 427,030		\$ 90,597		\$ (1,194,891)		\$ 36,240		\$ 169,908		\$ 86,111		\$ 86,755		\$ 159,901		\$ (662,441)		\$ 301,417

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.

Amounts prior to fiscal year 2019 have not been restated for GASB Statement No. 83.

TABLE 3
CITY AND COUNTY OF HONOLULU
FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2011 - 2020
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	2020	2019	2018	2017	Post-GASB 54 Fiscal Year 2016	2015	2014	2013 (a)	2012 (a)	2011
General Fund										
Committed	\$ 142,581	\$ 131,662	\$ 121,135	\$ 112,266	\$ 110,329	\$ 79,270	\$ 68,401	\$ 50,256	\$ 32,601	\$ 32,596
Assigned	110,176	77,711	81,709	74,155	65,124	74,282	54,880	55,384	58,215	51,961
Unassigned	258,149	216,276	172,376	139,925	140,022	170,024	185,568	228,382	159,042	158,668
Total General Fund	<u>\$ 510,906</u>	<u>\$ 425,649</u>	<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>
All Other Governmental Funds										
Restricted	\$ 216,882	\$ 203,006	\$ 174,531	\$ 182,225	\$ 198,063	\$ 201,439	\$ 182,159	\$ 165,373	\$ 161,708	\$ 136,708
Committed	936,513	725,347	510,761	20,185	28,532	231,614	16,662	138,158	18,752	482,563
Unassigned	--	(25,876)	(47,477)	(78,081)	(2,187)	--	(66,836)	--	(1,611)	(4,855)
Total all Other Governmental Funds	<u>\$ 1,153,395</u>	<u>\$ 902,477</u>	<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>

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 2011 - 2020
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2020	2019	2018	2017 (c)	2016	2015	2014	2013 (b)	2012 (b)	2011
Revenues:										
Taxes.....	\$ 1,565,080	\$ 1,428,167	\$ 1,317,905	\$ 1,233,030	\$ 1,162,021	\$ 1,109,836	\$ 1,011,072	\$ 994,105	\$ 964,167	\$ 934,557
Special assessments.....	--	3	1	3	4	5	5	15	17	8
Licenses and permits.....	232,474	233,552	202,456	183,126	181,696	177,867	173,233	166,135	161,492	151,581
Intergovernmental.....	246,979	196,913	193,864	196,166	206,181	189,868	201,624	205,496	233,499	395,316
Charges for services.....	30,762	36,987	36,117	34,232	32,998	34,066	33,150	31,813	30,679	28,007
Fines and forfeits.....	1,264	1,387	968	920	970	973	927	831	541	766
Miscellaneous:										
Reimbursements and recoveries.....	88,331	63,227	57,646	53,034	47,038	46,909	46,282	44,420	46,801	42,136
Interest.....	21,295	23,922	10,247	3,867	2,261	521	596	612	394	935
Other.....	25,198	29,784	29,783	26,434	24,337	27,313	30,033	28,133	30,790	37,064
Total Revenues.....	2,211,383	2,013,942	1,848,987	1,730,812	1,657,506	1,587,358	1,496,922	1,471,560	1,468,380	1,590,370
Expenditures:										
Current:										
General government.....	231,651	192,755	187,390	180,019	170,516	166,414	167,707	155,304	155,044	149,994
Public safety.....	515,800	487,560	467,036	456,401	426,883	410,702	390,443	371,294	386,145	371,627
Highways and streets.....	52,274	43,798	32,723	33,774	28,376	26,193	22,658	18,696	17,336	16,781
Sanitation.....	421	240	236	1,015	3,685	3,822	3,907	4,203	4,514	3,863
Human services.....	111,051	103,769	114,340	98,392	97,293	90,973	92,127	74,089	72,544	71,606
Culture and recreation.....	111,262	107,397	101,718	94,737	94,610	88,415	86,537	82,664	79,547	73,087
Utilities or other enterprises.....	71,671	83,499	32,919	43,282	62,775	58,420	37,329	29,380	23,201	27,758
Miscellaneous:										
Retirement and health benefits.....	422,432	389,148	335,263	303,550	283,029	258,330	220,876	190,466	214,895	194,338
Other.....	28,392	30,880	35,430	30,802	27,884	26,013	29,687	61,228	27,146	23,792
Capital Outlay:										
General government.....	33,963	45,248	18,961	25,829	22,762	17,268	16,224	17,912	21,810	18,894
Public safety.....	33,937	33,696	24,427	25,229	29,179	34,980	34,725	29,956	34,070	28,966
Highways and streets.....	57,055	86,910	117,691	130,802	99,643	84,609	130,613	91,720	68,636	65,534
Sanitation.....	--	--	--	--	5	--	(95)	95	--	827
Human services.....	35,587	22,120	32,932	18,453	14,839	5,622	--	8,980	21,991	10,645
Culture-recreation.....	30,371	34,437	35,298	43,911	34,439	11,926	22,564	21,956	22,869	24,703
Utilities or other enterprises.....	5,487	11,469	7,461	29,623	18,081	3,107	2,452	31,265	49,337	181,012
Debt service:										
Principal.....	160,928	192,798	162,764	175,468	116,249	97,055	115,925	88,276	84,906	89,615
Interest.....	145,493	116,728	99,446	96,193	99,244	88,106	97,765	97,580	99,713	95,549
Bond issuance costs.....	2,629	1,820	1,785	687	--	2,052	--	2,125	--	--
Total Expenditures.....	2,050,404	1,984,272	1,807,820	1,788,167	1,629,492	1,474,007	1,471,444	1,377,189	1,383,704	1,448,591
Revenues over (under) Expenditures.....	160,979	29,670	41,167	(57,355)	28,014	113,351	25,478	94,371	84,676	141,779
Other Financing Sources (Uses):										
Issuance of general obligation bonds.....	432,096	404,656	565,321	134,925	--	280,845	11,152	191,296	131,206	100,734
Issuance of tax exempt commercial paper (TECP).....	--	94,000	120,000	130,000	--	100,000	--	45,000	--	50,000
Capital leases.....	--	--	--	--	--	--	--	--	1,302	--
Issuance of refunding bonds.....	378,337	124,054	166,521	87,090	--	517,146	--	642,942	149,328	50,366
Bond premium.....	69,263	59,952	64,751	34,398	--	125,943	--	85,737	19,747	--
Bond discount.....	--	(279)	(205)	(165)	--	(246)	--	(71,391)	(14,268)	(1,096)
Bond premium on refunding bonds.....	78,549	20,594	--	--	--	--	--	--	--	--
Bond discount on refunding bonds.....	--	(141)	--	--	--	--	--	--	--	--
Refunding of bonds and commercial paper.....	--	(144,000)	(232,819)	(94,592)	--	(546,799)	--	(621,449)	(155,506)	(50,000)
Payment to escrow agent for refunding of bonds and commercial paper.....	(496,815)	--	--	--	--	--	--	--	--	--
Loss on refunding of bonds.....	--	--	--	(10,963)	--	(44,822)	--	--	--	--
Sales of capital assets.....	569	655	493	780	972	316	203	1,606	181	660
Transfers in.....	497,131	459,345	423,502	400,233	415,385	338,450	371,055	340,224	320,463	495,790
Transfers out.....	(783,934)	(733,415)	(666,371)	(633,559)	(661,117)	(568,389)	(590,213)	(499,490)	(518,779)	(692,908)
Total Other Financing Sources (Uses).....	175,196	285,421	441,193	48,147	(244,760)	202,444	(207,803)	114,475	(66,326)	(46,454)
Special Item:										
Contribution to component unit.....	--	--	--	--	--	--	--	--	(447,284)	--
Net change in fund balances.....	\$ 336,175	\$ 315,091	\$ 482,360	\$ (9,208)	\$ (216,746)	\$ 315,795	\$ (182,325)	\$ 208,846	\$ (428,934)	\$ 95,325
Debt service as a percentage of noncapital expenditures (a)(d).....										
	16.6%	17.7%	16.7%	17.9%	15.3%	14.1%	16.9%	15.8%	19.2%	15.6%

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

(b) For fiscal year end June 30, 2014, the restatements disclosed are not reflected in the above tables for 2013 and 2012.

(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.

(d) The Debt Service percentage calculation for 2020 to 2011 has been updated to exclude the bond issuance costs in the ratio of total debt service expenditures to noncapital expenditures.

TABLE 5
CITY AND COUNTY OF HONOLULU
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES
FISCAL YEARS 2011 - 2020
(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
2020	Residential	\$ 3.50	\$ 167,062,408
	Hotel/Resort	13.90	17,044,297
	Commercial	12.40	21,720,592
	Industrial	12.40	11,703,470
	Agricultural	5.70	1,180,447
	Vacant Agricultural	8.50	46,152
	Preservation	5.70	547,162
	Public Service.....	0.00	7,008
	Residential A Tier 1.....	4.50	13,583,421
	Residential A Tier 2.....	10.50	<u>9,361,466</u>
	Total		<u>\$ 242,256,423</u>
Fiscal year 2020 total direct tax rate		\$ 5.80	
2019	Residential	\$ 3.50	\$ 159,413,159
	Hotel/Resort	12.90	15,097,681
	Commercial	12.40	19,734,369
	Industrial	12.40	10,344,796
	Agricultural	5.70	1,122,026
	Vacant Agricultural	8.50	46,330
	Preservation	5.70	548,498
	Public Service.....	0.00	31
	Residential A Tier 1.....	4.50	11,911,610
	Residential A Tier 2.....	9.00	<u>8,423,485</u>
	Total		<u>\$ 226,641,985</u>
Fiscal year 2019 total direct tax rate		\$ 5.58	
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

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 2011 - 2020
(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
2015	Residential	\$ 3.50	\$ 127,980,612
	Hotel/Resort	12.90	8,193,857
	Commercial	12.40	15,150,419
	Industrial	12.40	8,153,174
	Agricultural	5.70	1,130,465
	Vacant Agricultural	8.50	79,546
	Preservation	5.70	445,038
	Residential A.....	6.00	<u>13,202,440</u>
	Total		<u>\$ 174,335,551</u>
	Fiscal year 2015 total direct tax rate	\$ 5.34	
2014	Residential	\$ 3.50	\$ 127,060,389
	Hotel/Resort	12.40	7,848,202
	Commercial	12.40	14,696,801
	Industrial	12.40	8,005,590
	Agricultural	5.70	932,333
	Vacant Agricultural	8.50	92,805
	Preservation.....	5.70	457,307
	Public Service.....	0.00	<u>2,300</u>
	Total		<u>\$ 159,095,727</u>
	Fiscal year 2014 total direct tax rate	\$ 5.23	
2013	Residential	\$ 3.50	\$ 124,425,238
	Hotel/Resort	12.40	7,354,672
	Commercial	12.40	14,336,675
	Industrial	12.40	7,757,462
	Agricultural	5.70	929,717
	Vacant Agricultural	8.50	92,350
	Preservation.....	5.70	435,354
	Public Service.....	0.00	<u>2,284</u>
	Total		<u>\$ 155,333,752</u>
	Fiscal year 2013 total direct tax rate	\$ 5.21	
2012	Residential	\$ 3.50	\$ 123,324,298
	Hotel/Resort	12.40	7,102,340
	Commercial	12.40	13,938,863
	Industrial	12.40	7,685,514
	Agricultural	5.70	1,004,164
	Vacant Agricultural	8.50	112,245
	Preservation.....	5.70	421,553
	Public Service.....	0.00	<u>3,644</u>
	Total		<u>\$ 153,592,621</u>
	Fiscal year 2012 total direct tax rate	\$ 5.19	
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	<u>3,307</u>
	Total		<u>\$ 153,109,105</u>
Fiscal year 2011 total direct tax rate	\$ 5.21		

NOTES:

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

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

TABLE 6
CITY AND COUNTY OF HONOLULU
PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEARS 2011-2020
(Values in thousands)
(Unaudited)

Taxpayer	2020			2019			2018			2017			2016		
	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	\$ 2,640,523	1	0.94 %	\$ 2,449,141	1	0.89 %	\$ 2,140,375	1	0.83 %	\$ 1,768,287	3	0.73 %	\$ 1,522,822	3	0.67 %
Hilton, et al	2,495,963	2	0.89	2,275,389	2	0.83	2,023,422	2	0.78	1,653,601	4	0.69	1,392,317	4	0.61
Bishop Estate	2,406,447	3	0.86	2,238,194	3	0.81	2,008,976	3	0.78	1,658,950	2	0.77	1,783,849	1	0.78
General Growth Properties (a)	2,171,248	4	0.78	2,180,194	4	0.79	1,868,590	4	0.72	1,668,950	2	--	1,757,566	2	0.77
Disney	1,376,588	5	0.49	1,369,929	5	0.50	1,313,804	5	0.51	1,055,883	5	0.44	980,364	5	0.43
Outrigger Hotels Hawaii	1,303,291	6	0.47	1,192,541	6	0.43	1,052,583	6	0.41	876,909	6	0.36	836,273	6	0.37
DEG, LLC	993,281	7	0.36	927,039	7	0.34	858,422	8	0.33	792,512	8	0.33	626,886	7	0.28
A & B Properties	955,929	8	0.34	697,405	10	0.25	658,422	8	0.26	618,381	8	--	618,381	8	0.27
Howard Hughes	791,088	9	0.28	881,275	8	0.32	906,386	7	0.35	3,315,613	1	1.37	--	--	--
Ko'olina Hotel	679,272	10	0.24	729,760	9	0.27	648,296	9	0.25	816,052	7	0.34	--	--	--
Halekulani Corp	--	--	--	--	--	--	545,636	10	0.21	791,178	9	0.33	--	--	--
First Hawaiian Bank	--	--	--	--	--	--	--	--	--	605,786	10	0.25	459,179	10	0.20
Weinburg Foundation	--	--	--	--	--	--	--	--	--	--	--	--	522,573	9	0.23

Taxpayer	2015			2014			2013			2012			2011		
	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	\$ 1,652,984	1	0.77 %	\$ 1,733,572	1	0.86 %	\$ 1,442,806	1	0.78 %	\$ 1,414,268	1	0.78 %	\$ 1,399,215	1	0.75 %
Kyo-Ya Co, Ltd	1,419,965	2	0.66	1,170,157	3	0.58	1,067,362	3	0.58	1,022,052	3	0.57	1,007,129	3	0.57
General Growth Properties (a)	1,408,576	3	0.66	1,294,204	2	0.64	1,232,114	2	0.67	1,205,267	2	0.67	1,242,751	2	0.69
Hilton, et al	1,236,073	4	0.56	1,084,287	4	0.53	988,806	4	0.54	917,634	4	0.51	906,020	4	0.51
Disney	951,585	5	0.44	936,803	5	0.47	928,996	5	0.50	839,910	5	0.47	806,278	5	0.33
Outrigger Hotels Hawaii	759,314	6	0.35	674,790	6	0.36	656,979	6	0.36	595,320	6	0.33	595,278	5	0.33
DEG, LLC	608,040	7	0.28	589,330	7	0.29	575,445	7	0.31	537,437	7	0.30	537,957	6	0.30
A & B Properties	564,923	8	0.26	--	--	--	--	--	--	--	--	--	--	--	--
First Hawaiian Bank	503,122	9	0.23	500,985	8	0.25	483,185	9	0.26	484,969	8	0.27	--	--	--
Ko'olina Hotel	433,317	10	0.20	426,923	10	0.21	488,584	8	0.27	446,972	9	0.25	449,340	8	0.25
Marriott Ownership Resorts	--	--	--	474,662	9	0.24	--	--	--	442,878	10	0.25	472,437	7	0.27
Reynolds/Shilder	--	--	--	--	--	--	--	--	--	--	--	--	415,608	9	0.23
Weinburg Foundation	--	--	--	--	--	--	396,166	10	0.21	--	--	--	407,264	10	0.23

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 2020 was \$279,992,764,000.
(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 2011 - 2020
(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
2020	\$ 1,432,220	\$ (6,700)	\$ 1,425,520	\$ 1,412,226	99.1 %	\$ -	\$ 1,412,226	99.1 %
2019	1,284,703	(1,265) (b)	1,283,438	1,276,067	99.4	5,888	1,281,955	99.9
2018	1,183,310	(2,601)	1,180,709	1,173,742	99.4	6,211	1,179,953	99.9
2017	1,098,971	(4,493)	1,094,478	1,087,316	99.3	6,657	1,093,973	100.0
2016	1,021,536	(3,265)	1,018,271	1,010,462	99.2	7,327	1,017,789	100.0
2015	950,020	(6,661)	943,359	936,004	99.2	7,062	943,066	100.0
2014	850,176	(3,960)	846,216	838,732	99.1	5,167	843,899	99.7
2013	824,798	(2,521)	822,277	813,704	99.0	6,350	820,054	99.7
2012	811,505	(2,981)	808,524	800,424	99.0	10,111	810,535	100.2
2011	812,604	(8,570)	804,034	795,313	98.9	9,892	805,205	100.1

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 2011 - 2020
(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
2020	\$ 3,558,305	\$ --	\$ 453	\$ --
2019	3,300,666	--	657	--
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

NOTES:

- (a) See TABLE 12 for personal income and population data.
- (b) 2020 and 2019 Personal Income is not available. 2018 Personal Income was used instead.
- (c) Revised from previous CAFR.
- (d) 2020 Population is not available. 2019 Population was used instead.
- (e) The amount of obligations for governmental and business-type activities include unamortized bond discount, unamortized bond premium, and direct placement-revenue bonds. 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 2011 - 2020
(Amounts in thousands, except per capita)
(Unaudited)

(Page 2 of 2)

Primary Government					
Business-Type Activities					
General Obligation Bonds (e)	Revenue Bonds (e)	Notes Payable	Total	Percentage of Personal Income (a)	Per Capita (a)
\$ 531,466	\$ 2,374,712	\$ 295,913	\$ 6,760,849	11.57 % (b)	\$ 6,937 (d)
538,933	2,271,367	210,290	6,321,913	10.82 (b)	6,487 (c)
548,898	2,358,157	229,398	6,105,658	10.45 (c)	6,231 (c)
557,724	2,072,204	252,769	5,357,774	9.52 (c)	5,432 (c)
577,376	1,868,779	252,148	5,084,447	9.34 (c)	5,124 (c)
608,195	1,711,265	245,287	5,093,741	9.66 (c)	5,140 (c)
587,947	1,757,422	245,345	4,757,956	9.45 (c)	4,819 (c)
618,713	1,800,072	221,131	4,926,925	10.30 (c)	4,997 (c)
601,245	1,664,206	222,509	4,552,018	9.65 (c)	4,654 (c)
599,909	1,513,751	200,392	4,328,098	9.51 (c)	4,474 (c)

TABLE 9
CITY AND COUNTY OF HONOLULU
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
FISCAL YEARS 2011 - 2020
(Amounts in thousands, except per capita)
(Unaudited)

Fiscal Year	General Obligation Bonds (d)	Percentage of Net Taxable Property Value (a)	Per Capita (b)
2020	\$ 3,289,931	1.36 %	\$ 3,376 (c)
2019	3,198,850	1.41	3,265
2018	2,924,396	1.38	2,985
2017	2,951,498	1.48	2,992
2016	2,961,986	1.58	2,985
2015	3,134,911	1.80	3,163
2014	2,751,981	1.73	2,787
2013	2,901,301	1.87	2,942
2012	2,659,842	1.73	2,720
2011	2,608,777	1.70	2,697

NOTES:

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

(b) See TABLE 12 for population data.

(c) 2020 Population not available. 2019 Population was used instead.

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

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

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TABLE 10
CITY AND COUNTY OF HONOLULU
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 2011 - 2020
(Amounts in thousands)
(Unaudited)

(Page 1 of 2)

	Fiscal Year				
	2020	2019	2018	2017	2016
Debt limit (a)	\$ 36,338,463	\$ 33,996,298	\$ 31,735,488	\$ 29,943,987	\$ 28,157,825
Debt applicable to limit	<u>3,209,695</u>	<u>3,050,672</u>	<u>2,764,761</u>	<u>2,205,897</u>	<u>2,199,482</u>
Legal debt margin (b)	<u>\$ 33,128,768</u>	<u>\$ 30,945,626</u>	<u>\$ 28,970,727</u>	<u>\$ 27,738,090</u>	<u>\$ 25,958,343</u>
Debt applicable to the limit as a percentage of debt limit	8.83%	8.97%	8.71%	7.37%	7.81%

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 2011 - 2020
 (Amounts in thousands)
 (Unaudited)

(Page 2 of 2)

Fiscal Year				
2015	2014	2013	2012	2011
\$ 26,150,333	\$ 23,864,359	\$ 23,300,063	\$ 23,038,893	\$ 22,966,366
<u>2,315,550</u>	<u>2,060,876</u>	<u>2,165,157</u>	<u>1,995,105</u>	<u>1,962,761</u>
<u>\$ 23,834,783</u>	<u>\$ 21,803,483</u>	<u>\$ 21,134,906</u>	<u>\$ 21,043,788</u>	<u>\$ 21,003,605</u>
8.85%	8.64%	9.29%	8.66%	8.55%

Legal Debt Margin Calculation for Fiscal Year 2020

Net assessed value	<u>\$ 242,256,423</u>
Debt limit (15% of assessed value)	36,338,463
Debt applicable to limit	<u>3,209,695</u>
Legal debt margin	<u>\$ 33,128,768</u>

TABLE 11
CITY AND COUNTY OF HONOLULU
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2011-2020
(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		
2020	\$ 240,027	\$ 165,213	\$ 74,814	\$ 9,910	\$ 8,555	\$ 18,465	4.05
2019	236,595	155,218	81,377	8,820	9,056	17,876	4.55
2018	238,927	148,821	90,106	8,550	9,294	17,844	5.05
2017	236,330	138,147	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

DEPARTMENT OF ENVIRONMENTAL SERVICES

Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2020	\$ 492,863	\$ 157,954	\$ 334,909	\$ 72,460	\$ 82,983	\$ 155,443	2.15
2019	526,619	164,143	(d) 362,476	70,490	89,590	160,080	2.26
2018	465,271	154,921	310,350	59,815	85,108	144,923	2.14
2017	453,959	146,036	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

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 2011 - 2020
 (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)
2020	NA	NA	NA	114,980	NA
2019	974,563 (c)	NA	NA	115,600	2.6 (c)
2018	979,858 (c)	\$ 58,421 (c)	\$ 59,608 (c)	115,691	2.4 (c)
2017	986,353 (c)	56,275 (c)	57,049 (c)	117,203	2.3
2016	992,268 (c)	54,460 (c)	54,860 (c)	118,155	2.8
2015	991,064 (c)	52,747 (c)	53,208 (c)	118,463	3.4 (c)
2014	987,414 (c)	50,358 (c)	50,988 (c)	122,195	4.1
2013	986,059 (c)	47,857 (c)	48,526 (c)	120,932	4.5 (c)
2012	977,994 (c)	47,178 (c)	48,236 (c)	119,477	5.4
2011	967,336 (c)	45,532 (c)	47,072 (c)	117,880	5.9

NOTES:

(a) Per *The State of Hawaii Data Book 2019*.

(b) Enrollment figures for 2011-2020 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 2010 - 2019
(Unaudited)

Employer (a)	2019			2018			2017			2016			2015		
	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	72,900	1	11.27%	73,100	1	11.11%	73,200	1	10.97%	74,100	1	11.18%	74,500	1	11.47%
Federal Government	34,300	2	5.30%	33,600	2	5.10%	33,400	2	5.01%	33,200	2	5.01%	33,200	2	5.11%
Local Governments	19,100	3	2.95%	18,900	3	2.87%	19,000	3	2.85%	19,000	3	2.87%	18,900	3	2.91%
The Queen's Health Systems	7,479	4	1.16%	7,038	4	1.07%	7,187	4	1.08%	7,455	4	1.12%	7,278	4	1.12%
Hawaii Pacific Health	7,273	5	1.12%	6,984	5	1.06%	6,961	5	1.04%	6,641	5	1.00%	6,617	5	1.02%
Hawaiian Electric Industries Inc.	3,841	6	0.59%	2,704	7	0.41%	2,745	8	0.41%	2,662	9	0.40%	3,918	10	0.60%
Kamehameha Schools	3,758	7	0.58%	3,870	6	0.59%	--	--	--	--	--	--	--	--	--
Hawaii Health Systems Corp.	2,553	8	0.39%	2,525	8	0.38%	4,133	6	0.62%	--	--	--	--	--	--
Kaiser Foundation Health Plan	2,477	9	0.38%	2,467	10	0.37%	2,383	10	0.36%	4,410	7	0.67%	4,424	9	0.68%
Securitas Security Services USA Inc.	2,302	10	0.36%	2,482	9	0.38%	2,484	9	0.37%	2,416	10	0.36%	--	--	--
Kyo-ya Hotels and Resorts	--	--	--	--	7	0.55%	3,638	7	0.55%	--	--	--	--	--	--
Marriott Hawaii	--	--	--	--	--	--	--	--	--	6,929	5	1.05%	--	--	--
Outrigger Enterprises Group	--	--	--	--	--	--	--	--	--	3,186	8	0.48%	--	--	--
Hawaiian Airlines, Inc.	--	--	--	--	--	--	--	--	--	--	--	--	5,548	6	0.85%
Starwood Hotels & Resorts Hawaii	--	--	--	--	--	--	--	--	--	--	--	--	5,507	7	0.85%
Hilton Hotels Hawaii Region	--	--	--	--	--	--	--	--	--	--	--	--	5,400	8	0.83%
Total	155,983	--	24.10%	153,670	--	23.34%	155,131	--	23.26%	159,999	--	24.14%	165,292	--	25.44%

Employer (a)	2014			2013			2012			2011			2010		
	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	73,600	1	11.56%	72,200	1	11.65%	72,900	1	11.98%	71,400	1	11.60%	71,700	1	11.90%
Federal Government	33,200	2	5.22%	33,900	2	5.47%	34,900	2	5.74%	34,800	2	5.66%	34,800	2	5.78%
Local Governments	18,800	3	2.95%	18,700	3	3.02%	18,500	3	3.04%	18,500	3	3.01%	18,700	3	3.10%
Hawaii Health Systems Corp.	6,942	4	1.09%	6,307	4	1.02%	--	--	--	--	--	--	--	--	--
Hawaii Pacific Health	6,485	5	1.02%	--	--	--	5,809	4	0.95%	5,724	4	0.93%	5,490	4	0.91%
Starwood Hotels & Resorts	5,659	6	0.89%	6,150	5	0.99%	5,500	5	0.90%	5,300	6	0.86%	--	--	--
Hilton Hotels Hawaii Region	5,400	7	0.85%	5,400	7	0.87%	5,400	6	0.89%	5,400	5	0.88%	5,400	5	0.90%
Hawaiian Airlines Inc.	5,380	8	0.85%	5,249	8	0.85%	4,906	8	0.81%	4,314	9	0.70%	4,019	9	0.67%
Kaiser Foundation Health Plan	4,691	9	0.74%	4,371	9	0.71%	4,570	9	0.75%	4,478	8	0.73%	4,400	8	0.73%
Hawaiian Electric Co., Inc.	3,965	10	0.62%	3,966	10	0.64%	3,870	10	0.64%	3,654	10	0.59%	3,400	10	0.56%
The Queen's Health Systems	--	--	--	5,587	6	0.90%	5,281	7	0.87%	5,134	7	0.83%	5,147	6	0.85%
Shenwood Hotels & Resorts Hawaii	--	--	--	--	--	--	--	--	--	--	--	--	5,092	7	0.85%
Total	164,122	--	25.79%	161,830	--	26.12%	161,636	--	26.57%	158,704	--	25.79%	158,148	--	26.25%

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

Hawaii Business, magazine various years.
Pacific Business News - 2019 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 2011 - 2020
(Unaudited)

(Page 1 of 2)

<u>Function</u>	<u>Full-time Equivalent Employees as of June 30</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General government					
Administration	523	504	504	484	496
Finance	419	435	430	423	429
Legal	323	312	312	324	320
Planning & Permitting	284	267	274	267	274
Design & Construction	154	148	147	219	225
Land Management	14	8	5	1	--
Public Safety					
Police	2449	2480	2,464	2,526	2,579
Fire	1105	1115	1,088	1,072	1,088
Emergency Medical Services	209	194	181	174	173
Highways and Streets	666	657	631	636	634
Sanitation					
Solid Waste	637	651	672	600	593
Sewer	256	257	247	257	262
Health and Human Resources	387	390	403	421	420
Culture and Recreation	1044	1076	1,044	1,031	1,016
Total	<u>8,470</u>	<u>8,494</u>	<u>8,402</u>	<u>8,435</u>	<u>8,509</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 2011 - 2020
(Unaudited)

(Page 2 of 2)

<u>Function</u>	<u>Full-time Equivalent Employees as of June 30</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government					
Administration	497	472	461	480	478
Finance	437	431	410	405	398
Legal	314	327	325	308	304
Planning & Permitting	267	258	258	245	248
Design & Construction	223	221	226	228	227
Land Management					
Public Safety					
Police	2,595	2,556	2,574	2,519	2,551
Fire	1,116	1,074	1,089	1,114	1,099
Emergency Medical Services	161	155	146	151	147
Highways and Streets	639	622	598	596	585
Sanitation					
Solid Waste	583	600	572	622	585
Sewer	267	274	263	254	253
Health and Human Resources	409	394	403	397	403
Culture and Recreation	1,008	1,005	1,036	1,005	982
Total	<u>8,516</u>	<u>8,389</u>	<u>8,361</u>	<u>8,324</u>	<u>8,260</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 2011 - 2020
(Unaudited)

(page 1 of 2)

Function	2020	2019	2018	2017	2016
Public Safety					
Police					
Part I number of arrests (a)	3,530	3,020	3,249	4,101	4,990
Part II number of arrests (a)	37,400	38,548	35,921	37,857	36,220
Parking violations	114,773 (b)	125,512 (b)	136,789 (b)	144,165 (b)	116,774 (b)
Traffic violations	157,118 (b)	186,980 (b)	237,528 (b)	224,761 (b)	233,142 (b)
Fire					
Fire department responses	17,322	18,354	17,699	17,843	17,291
Emergency medical responses	37,738	38,431	38,255	36,564	35,566
Inspections	76,712	74,391	71,906	74,511	72,252 (j)
Emergency Medical Services					
Ambulance responses	92,144 (n)	96,372	96,267	84,621	90,023
Refuse Collection					
Refuse collected (tons per year)	268,205	265,996	266,980	268,347	268,330
Recyclables collected (tons per year)	141,226	139,013	138,654	130,107	131,256
Other Public Works					
Street resurfacing in-house (lane miles)	8	16	16 (p)	18	16
Street resurfacing contract (lane miles)	68	142 (r)	358	412 (m)	268
First aid (tons of asphalt)	4,456	6,960	6,472 (q)	2,671 (k)	501
Potholes repaired	11,711	15,527	20,987 (l)	28,570 (l)	42,656
Parks and Recreation					
Park facility permits issued	9,811 (u)	13,307	13,983	13,338	16,348
Other Enterprise					
Rounds of golf	312,404	372,307	376,895	371,744	375,710
Zoo attendance	388,103 (s)	569,049	579,302	560,479	564,114
Water					
New connections	454	622	855 (o)	385	242
Water main breaks	349	328	321	346	326
Average daily pumpage (thousands of gallons)	137	136	140	136	137
Peak daily pumpage (thousands of gallons)	160	161	165	155	169
Wastewater					
Average daily sewage treatment (millions of gallons)	101 (t)	110	114	117	113
Transit					
Total bus directional route miles	1,083	1,103	1,082	1,057	1,033
Total bus revenue miles	18,334,650	17,955,552	17,893,437	17,760,756	17,817,987
Bus passengers	48,527,385	62,483,503	64,058,836	65,216,212	68,274,031
Total paratransit revenue miles	6,200,758	6,741,416	6,436,220	6,384,051	6,404,590
Paratransit passengers	822,173	970,633	952,971	920,453	890,453

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) Ground ambulance responses dropped from March to June due to the Stay-at-Home Order, closure of bars, decrease in traffic volume, which were related to the COVID-19 pandemic.
(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.
(r) Over the past seven years, the pace of resurfacing has been prioritized where most of the inventory that was in poor condition had been completed. This dropped the quantity of streets needing resurfacing with only the complicated ones left.
(s) The decrease is due to the pandemic shutdown.
(t) The value presented represents the average of daily effluent flows from nine (9) of our treatment plants for the fiscal year.
(u) The decrease is due to park closures including parkcamp grounds and less visitor arrivals.

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 2011 - 2020
(Unaudited)

(page 2 of 2)

2015	2014	2013	2012	2011
5,100	5,820	5,870	5,517	5,120
34,900	34,860	36,060	34,695	31,930
116,064 (b)	111,720 (b)	105,164 (b)	111,342 (b)	115,171 (b)
256,943 (b)	181,750 (b)	187,376 (b)	189,591 (b)	203,052 (b)
16,421	20,334	19,830	19,923	18,436
35,345	30,355	29,608	28,871	27,953
53,419 (i)	77,492	68,888	63,424 (d)	73,302 (c)
88,882	82,227	78,872	75,500	67,477
263,350	264,500	284,070	255,400	273,040
127,550	128,615	116,200	118,400	121,442
8	4 (g)	18 (e)	8	19
214	270	315 (f)	180	149
1,747	2,122	1,258	2,314	753
32,976	39,951	51,647	52,071	67,714
15,260	15,494	16,696	12,029	16,549
400,869	416,356	442,362	464,708	475,663
592,780	606,566	663,699	665,940	603,677
522	540 (h)	875 (h)	1,069	962
293	303	350	312	333
144	136	141	139	130
159	161	168	151	157
105	105	100	100	105
1,032	1,030	1,023	947	945
17,752,627	17,619,990	17,198,231	18,225,506	18,356,893
71,094,063	66,285,449	69,242,214	76,296,482	73,765,232
5,565,742	5,193,703	5,082,596	5,150,671	4,955,876
843,402	882,084	841,447	845,903	825,680

TABLE 16
CITY AND COUNTY OF HONOLULU
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2011 - 2020
(Unaudited)

page 1 of 2

Function	Fiscal Year				
	2020	2019	2018	2017	2016
Public Safety					
Police					
Stations	12	12	12	12	12
Patrol units - City owned	366	367	358	414	324
Patrol units - privately owned (a)	1,296	1,295	1,303	1,339	1,354
Fire stations (b)	44	44	44	44	44
Emergency medical services stations	21	21	20	20	20
Refuse collection trucks	171	179	172	170	174
Other Public Works					
Streets (linear mile)	1,496	1,487	1,446	1,439	1,433
Streetlights	56,682	53,542	52,891	52,521	52,093
Storm sewers (miles)	910	907	885	747	741
Traffic related landscaped areas	170	165	168 (f)	151	150
Parks and Recreation					
Parks and recreational areas	303	299	293 (d)	288	286
Beach access/right of ways	86	86	86 (e)	90	90
Botanical gardens	5	5	5	5	5
Recreation buildings	93	93	93	93	93
Gymnasiums	25	25	25	25	25
Swimming pools	21	21	21	21	21
Baseball/softball fields	201	201	201	201	201
Basketball courts	205	205	205	205	205
Tennis courts	208	208	208	208	208
Volleyball courts	173	173	173	173	173
Soccer fields	80	80	80	80	80
Other Enterprise					
Golf courses	6	6	6	6	6
Zoological parks	1	1	1	1	1
Water					
Water mains (miles)	2,166	2,159	2,156	2,144	2,131
Fire hydrants	21,785	21,695	21,636	21,605	21,414
Storage capacity (thousands of gallons)	201	197	197	197	197
Wastewater					
Sanitary sewers (miles)	2,063	2,024	2,024	2,024	2,024
Treatment capacity (millions of gallons)	154	158	158	158	158
Transit					
Buses	543	544	544	544	541
Paratransit vehicles	197	190	190	180	180
Traffic signal intersections (c)	849	847	845	844	840

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 recreation designated 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 2011 - 2020
(Unaudited)

page 2 of 2

Function	Fiscal Year				
	2015	2014	2013	2012	2011
Public Safety					
Police					
Stations	12	12	12	12	11
Patrol units - City owned	406	325	333	346	473
Patrol units - privately owned (a)	1,356	1,329	1,311	1,334	1,312
Fire stations (b)	44	45	45	45	44
Emergency medical services stations	22	22	22	22	21
Refuse collection trucks	173	168	166	168	174
Other Public Works					
Streets (paved mile)	1,424	1,420	1,417	1,415	1,410
Streetlights	51,797	51,300	47,999	47,819	47,544
Storm sewers (miles)	732	728	725	723	718
Parks and Recreation	150	150			
Parks and recreational areas			284	283	288
Beach access/right of ways	286	284	90	90	90
Botanical gardens	90	70	5	5	5
Recreation buildings	5	5	93	93	93
Gymnasiums	93	93	25	24	24
Swimming pools	25	25	21	21	21
Baseball/softball fields	21	21	200	200	200
Basketball courts	201	200	205	200	200
Tennis courts	205	202	207	203	203
Volleyball courts	208	208	171	169	169
Soccer fields	173	171	80	80	80
Traffic related landscaped areas	80	80	149	149	149
Other Enterprise					
Golf courses	6	6	6	6	6
Zoological parks	1	1	1	1	1
Water					
Water mains (miles)	2,123	2,114	2,106	2,101	2,095
Fire hydrants	21,399	21,384	21,290	21,130	21,045
Storage capacity (thousands of gallons)	197	190	190	184	182
Wastewater					
Sanitary sewers (miles)	2,010	2,010	2,010	2,087	2,100
Treatment capacity (millions of gallons)	152	152	152	152	152
Transit					
Buses	521	519	524	540	553
Paratransit vehicles	181	160	157	158	181
Traffic signal intersections (c)	837	834	830	827	825

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