



OFFICE OF THE CITY AUDITOR

City and County of Honolulu
State of Hawai'i



Financial Audit of the City and County of Honolulu State of Hawai'i

For the Fiscal Year Ended
June 30, 2009

Single Audit of Federal Financial
Assistance Programs

Conducted by
N&K CPAs, Inc.

March 26, 2010

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

We have completed our financial audit of the basic financial statements of the City and County of Honolulu, State of Hawaii (City), as of and for the fiscal year ended June 30, 2009. Our report containing our opinion on those basic financial statements is included in the City's *Comprehensive Annual Financial Report*. We submit herein our reports on the City's internal control over financial reporting and compliance, the City's compliance with requirements applicable to its major federal programs and our report on the schedule of expenditures of federal awards.

OBJECTIVES OF THE AUDIT

The primary purpose of our audit was to form an opinion on the fairness of the presentation of the City's basic financial statements for the fiscal year ended June 30, 2009, and to comply with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, which establishes audit requirements for state and local governments that receive federal financial assistance. More specifically, the objectives of the audit were as follows:

1. To provide a basis for an opinion on the fairness of the presentation of the City's financial statements.
2. To determine whether expenditures and other disbursements have been made and all revenues and other receipts to which the City is entitled have been collected and accounted for in accordance with the laws, rules and regulations, administrative directives, policies and procedures of the City, the State of Hawaii and the federal government (where applicable).
3. To determine whether the City has established sufficient internal controls to properly manage federal financial assistance programs and to comply with the applicable laws, regulations, contracts, and grants.
4. To determine whether the City has complied with the laws, regulations, contracts, and grants that may have a material effect on the financial statements and on each major federal financial assistance program.

SCOPE OF THE AUDIT

Our audit was performed in accordance with auditing standards generally accepted in the United States of America as prescribed by the American Institute of Certified Public Accountants; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133. The scope of our audit included an examination of the transactions and accounting records of the City for the fiscal year ended June 30, 2009.

ORGANIZATION OF THE REPORT

This report is presented in five parts as follows:

- Part I - Our report on internal control over financial reporting and on compliance and other matters.
- Part II - Our report on compliance with requirements applicable to each major program and on internal control over compliance.
- Part III - Our report on the schedule of expenditures of federal awards.
- Part IV - The schedule of findings and questioned costs.
- Part V - The summary schedule of prior audit findings.

We wish to express our sincere appreciation for the excellent cooperation and assistance extended by the staff of the City.

Sincerely,



Ron Shiigi
Principal

CITY AND COUNTY OF HONOLULU

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PART I

**AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and County of Honolulu, State of Hawaii (City), as of and for the fiscal year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 30, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated December 30, 2009.

This report is intended solely for the information and use of the City Council, management of the City and County of Honolulu, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

N&K CPAs, Inc.

Honolulu, Hawaii
December 30, 2009

PART II

**AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE**



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City and County of Honolulu, State of Hawaii (City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2009. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management of the City and County of Honolulu, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

N&K CPAs, Inc.

Honolulu, Hawaii
March 16, 2010

PART III

**AUDITORS' REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and County of Honolulu, State of Hawaii (City) as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated December 30, 2009. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the City Council, management of the City and County of Honolulu, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

N&K CPAs, Inc.

Honolulu, Hawaii
December 30, 2009

City and County of Honolulu
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
OFFICE OF NATIONAL DRUG CONTROL POLICY			
High Intensity Drug Trafficking Area Program	07.UNKNOWN		\$ <u>1,942,506</u>
Total Office of National Drug Control Policy			<u>1,942,506</u>
U.S. DEPARTMENT OF AGRICULTURE			
Pass-through State Department of Human Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS-06-BESSD-3000SA2	<u>34,198</u>
Pass-through State Department of Land and Natural Resources			
Cooperative Forestry Assistance	10.664	05-DG-11052012-135	45,878
		05-DG-11052012-173	49,985
		05-DG-11052012-109	<u>50,000</u>
			<u>145,863</u>
Total U.S. Department of Agriculture			<u>180,061</u>
U.S. DEPARTMENT OF COMMERCE			
Economic Adjustment Assistance	11.307		<u>4,595</u>
Total U.S. Department of Commerce			<u>4,595</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Supportive Housing for Persons with Disabilities	14.181		<u>1,468,575</u>
Community Development Block Grants/Entitlement Grants	14.218		<u>12,478,217</u>
Emergency Shelter Grants Program	14.231		<u>640,790</u>
Supportive Housing Program	14.235		<u>401,257</u>
Shelter Plus Care	14.238		<u>2,636,323</u>
HOME Investment Partnerships Program	14.239		<u>4,404,539</u>
Housing Opportunities for Persons with AIDS	14.241		<u>473,316</u>
Opportunities for Youth - Youthbuild Program	14.243		<u>74,069</u>
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856		<u>148,968</u>
Section 8 Housing Choice Vouchers	14.871		42,866,492
Pass-through Hawaii Public Housing Authority Section 8 Housing Choice Vouchers	14.871	PMB 02-04	<u>357,531</u>
			<u>43,224,023</u>
Total U.S. Department of Housing and Urban Development			\$ <u>65,950,077</u>

City and County of Honolulu
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF INTERIOR			
U.S. Geological Survey-Research and Data Collection	15.808		\$ <u>1,115</u>
Total U.S. Department of Interior			<u>1,115</u>
U.S. DEPARTMENT OF JUSTICE			
Domestic Cannabis Eradication/Suppression Program	16.UNKNOWN		<u>155,870</u>
Federal Asset Forfeiture	16.UNKNOWN		<u>493,373</u>
Pass-through State Department of Attorney General			
Services for Trafficking Victims	16.320	06-WF-04	<u>3,252</u>
Pass-through State Department of Human Services			
Juvenile Accountability Block Grants	16.523	06-OYS-3035	<u>101,493</u>
Gang-Free Schools and Communities - Community-Based Gang Intervention	16.544		<u>66,737</u>
National Institute of Justice Forensic DNA Laboratory Improvement Program	16.564		<u>219,032</u>
Pass-through State Department of Attorney General			
Crime Victim Assistance	16.575	04-VA-2 & 05-VA-2	<u>870,917</u>
Violence Against Women Formula Grants	16.588	06-WF-04 04-WF-14 & 06-WF-12	<u>16,244</u> <u>104,359</u> <u>120,603</u>
Public Safety Partnership and Community Policing Grants	16.710		<u>165,986</u>
Pass-through State Department of Health			
Enforcing Underage Drinking Laws Program	16.727	MOU 07-14, MOA 10/20/08	<u>31,620</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>677,072</u>
Pass-through State Department of the Attorney General			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	05-DJ-07 05-DJ-11 07-DJ-06 08-DJ-05	29,065 5,040 104,922 8,963 <u>147,990</u> <u>825,062</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	06-DN-01	<u>19,191</u>
Total U.S. Department of Justice			\$ <u>3,073,136</u>

City and County of Honolulu
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR			
Pass-through State Department of Labor and Industrial Relations			
Unemployment Insurance	17.225	REED-06-0	\$ <u>1,777,699</u>
<i>Workforce Investment Act Cluster:</i>			
WIA - Administration	17.250	WIA-05, WIA-06, WIA-07-LAC-0	<u>436,142</u>
WIA - Adult Program	17.258	WIA-05, WIA-06, & WIA-07-AP-0	<u>934,766</u>
WIA - Youth Activities	17.259	WIA-05, WIA-06, & WIA-07-YP-0	<u>1,307,351</u>
WIA - Dislocated Workers	17.260	WIA-06, & WIA-07-DW-0 WIA-06-NEG-DM-0	<u>932,143</u> <u>908,235</u>
			<u>1,840,378</u>
<i>Total Workforce Investment Act Cluster</i>			<u>4,518,637</u>
WIA Pilots, Demonstrations, and Research Projects	17.261		518,686
Pass-through Maui Community College			
WIA Pilots, Demonstrations, and Research Projects	17.261	P.O. Z715801	<u>40,375</u>
			<u>559,061</u>
Pass-through State Department of Labor and Industrial Relations			
Incentive Grants - WIA Section 503	17.267	WIA DEMO CAA-07-01	<u>342,810</u>
YOUTHBUILD	17.274		<u>570,207</u>
<i>Total U.S. Department of Labor</i>			<u>7,768,414</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Pass-through State Department of Transportation			
Highway Planning and Construction	20.205	BR-NBIS (39), (40) & (42) VARIOUS	482,571 <u>17,163,603</u> <u>17,646,174</u>
Pass-through Oahu Metropolitan Planning Organization			
Highway Planning and Construction	20.205	PL-052 (25),(30), (216) WE 201.65-07, WE 203.30 FHWA-PL(052) 25	568,656 424,269 196,910 <u>1,189,835</u> <u>18,836,009</u>
<i>Federal Transit Cluster:</i>			
Federal Transit - Capital Investment Grants	20.500		10,402,290
Federal Transit - Formula Grants	20.507		<u>21,046,400</u>
<i>Total Federal Transit Cluster</i>			\$ <u>31,448,690</u>

City and County of Honolulu
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
State and Community Highway Safety	20.600		\$ 668,349
Pass-through State Department of Transportation			
State and Community Highway Safety	20.600	PS08-09(04-O-01), 163-PS06-08	<u>47,969</u>
			<u>716,318</u>
Total U.S. Department of Transportation			<u>51,001,017</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Congressionally Mandated Projects	66.202		<u>415,555</u>
Pass-through State Department of Health			
Capitalization Grants for Clean Water State Revolving Funds	66.458	C150046-55	42,690
		C150048-60	289,785
		C150048-68	6,475,164
		C150048-70	25,474,225
		C150048-45	<u>15,672,052</u>
			<u>47,953,916</u>
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		<u>48,794</u>
Total U.S. Environmental Protection Agency			<u>48,418,265</u>
U.S. DEPARTMENT OF EDUCATION			
Pass-through State Department of Human Services			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	DHS-07-VR-4028	<u>54,929</u>
Pass-through State Department of Education			
Twenty-First Century Community Learning Centers	84.287	13023	<u>60,308</u>
Total U.S. Department of Education			<u>115,237</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-through Executive Office on Aging			
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	HON-2008-1	<u>164,697</u>
<i>Aging Cluster:</i>			
Pass-through Executive Office on Aging			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	HON-2007-1 & HON-2008-1	\$ <u>1,246,594</u>

City and County of Honolulu
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	HON-2007-1 HON-2008-1	\$ 54,873 <u>1,124,977</u> 1,179,850
<i>Total Aging Cluster</i>			<u>2,426,444</u>
Pass-through Executive Office on Aging			
National Family Caregiver Support, Title III, Part E	93.052	HON-2007-1 & HON-2008-1	<u>467,061</u>
Pass-through University of Hawaii			
Demonstration to Maintain Independence and Employment	93.769	N/A	<u>62,536</u>
Pass-through State Department of Health			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	MOU 06-148 Mod. 2 & 3	<u>37,354</u>
Total U.S. Department of Health and Human Services			<u>3,158,092</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Homeland Security Grant Cluster:</i>			
Pass-through State Department of Defense			
State Domestic Preparedness Equipment Support Program	97.004	2003-TE-TX-0192	<u>612</u>
State and Local Homeland Security Training Program	97.005	2003-MU-T3-0043	<u>299,524</u>
Citizen Corps	97.053	2004-TE-T4-0042	<u>1,736</u>
Pass-through State Civil Defense			
Homeland Security Grant Program	97.067	2005-GE-T5-0034	<u>6,711,979</u>
Pass-through State Department of Defense			
Homeland Security Grant Program	97.067	2006-GE-T6-0033 2007-GE-T7-0013 2008-GE-T8-0022	6,082,845 379,620 <u>117,683</u> <u>6,580,148</u>
<i>Total</i>			<u>13,292,127</u>
Metropolitan Medical Response System	97.071		<u>1,873</u>
Pass-through State Department of Defense			
State Homeland Security Program	97.073	2004-TE-T4-0042	<u>15,318</u>
Law Enforcement Terrorism Prevention Program	97.074	2004-TE-T4-0042	<u>226,674</u>
<i>Total Homeland Security Grant Cluster</i>			\$ <u>13,837,864</u>

City and County of Honolulu
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>
Assistance to Firefighters Grant	97.044		\$ <u>154,245</u>
Pass-through State Department of Defense			
Rail and Transit Security Grant Program	97.075	2005-GB-T5-0007	<u>898,294</u>
Regional Catastrophic Preparedness Grant Program	97.111	2005-GR-T5-0069	<u>37,052</u>
Total U.S. Department of Homeland Security			<u>14,927,455</u>
TOTAL FEDERAL EXPENDITURES			\$ <u>196,539,970</u>

City and County of Honolulu
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2009

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activities of the City and County of Honolulu (City) and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B - LOANS OUTSTANDING

The City had the following loan balances outstanding and advances awarded as of and for the fiscal year ended June 30, 2009, which are not presented in the schedule of expenditures of federal awards:

Program Title	CFDA Number	Loans/Advances Awarded in Fiscal Year Ended June 30, 2009	Loans Outstanding as of June 30, 2009
Community Development Block Grants - Entitlement Grants	14.218	\$ 1,957,332	\$ 33,388,453
HOME Investment Partnerships Program	14.239	1,131,700	15,838,083
Section 8 Housing Choice Vouchers	14.871	--	<u>2,963,879</u>
		<u>\$ 3,089,032</u>	<u>\$ 52,190,415</u>

NOTE C - CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS

At June 30, 2009, federal awards and state matching fund expenditures under capitalization grants for clean water state revolving funds were as follows:

	Amount
Federal	\$ 47,953,916
State	<u>1,781,631</u>
	<u>\$ 49,735,547</u>

City and County of Honolulu
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2009

NOTE D - SUBRECIPIENTS

Of the federal expenditures presented in the schedule of expenditures of federal awards, the City provided federal awards to subrecipients as follows:

<u>Federal Grantor/Program/Grant</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
U.S. Department of Housing and Urban Development		
Community Development Block Grants/Entitlement Grants	14.218	\$ 8,635,984
Emergency Shelter Grants Program	14.231	640,790
Supportive Housing Program	14.235	396,703
Shelter Plus Care	14.238	2,636,323
HOME Investment Partnerships Program	14.239	2,500,061
Housing Opportunities for Persons with AIDS	14.241	<u>473,316</u>
Total U.S. Department of Housing and Urban Development		<u>15,283,177</u>
U.S. Department of Justice		
Juvenile Accountability Block Grants	16.523	2,125
Crime Victim Assistance	16.575	<u>411,136</u>
Total U.S. Department of Justice		<u>413,261</u>
U.S. Department of Labor		
Workforce Investment Act - Pilots, Demonstrations, and Research Projects	17.261	11,560
YOUTHBUILD	17.274	<u>26,775</u>
Total U.S. Department of Labor		<u>38,335</u>
U.S. Environmental Protection Agency		
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	<u>42,603</u>
Total U.S. Environmental Protection Agency		<u>42,603</u>
U.S. Department of Health and Human Services		
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	164,697
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	1,173,506
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	922,489
National Family Caregiver Support, Title III, Part E	93.052	<u>410,577</u>
Total U.S. Department of Health and Human Services		<u>2,671,269</u>
Total Provided to Subrecipients		\$ <u>18,448,645</u>

PART IV
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City and County of Honolulu
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weakness(es)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weakness(es)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Type of auditors' report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.239	HOME Investment Partnerships Program
14.871	Section 8 Housing Choice Vouchers
93.044/93.045	Aging Cluster
97.004/97.067	Homeland Security Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as a low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

PART V
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**City and County of Honolulu
STATUS REPORT
Fiscal Year Ended June 30, 2009**

No prior audit findings which apply under the current criteria of OMB Circular A-133 were noted.