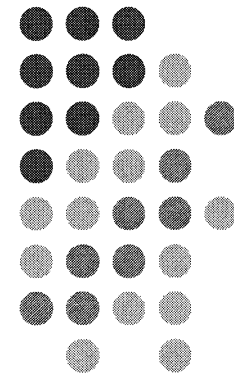

State Receipt and Revenue Plans



MULTI-YEAR FINANCIAL SUMMARY
TOTAL EXPENDITURES AND REVENUES
FISCAL YEARS 13 - 19
(in millions of dollars)

| | Estimated <u>FY 13</u> | Estimated <u>FY 14</u> | Estimated <u>FY 15</u> | Estimated <u>FY 16</u> | Estimated <u>FY 17</u> | Estimated <u>FY 18</u> | Estimated <u>FY 19</u> |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| REVENUES: | | | | | | | |
| Executive Branch: | | | | | | | |
| Tax Revenues | 6,268.6 | 6,511.0 | 6,825.5 | 7,264.3 | 7,651.3 | 8,086.8 | 8,501.3 |
| Nontax Revenues | 4,295.0 | 4,073.9 | 4,108.4 | 3,896.5 | 3,939.3 | 3,973.7 | 4,033.4 |
| Federal Funds | 2,762.7 | 2,862.0 | 2,825.9 | 2,850.0 | 3,004.8 | 3,004.5 | 3,003.8 |
| Judicial Branch Revenues | 46.0 | 48.0 | 48.8 | 49.7 | 50.6 | 51.6 | 52.6 |
| OHA Revenues | 22.5 | 21.2 | 21.2 | 15.2 | 15.2 | 15.2 | 15.2 |
| Other | - | 71.0 | (6.0) | 13.2 | 12.2 | 12.2 | 12.2 |
| Bond Receipts | 558.0 | 1,720.7 | 1,967.3 | 1,289.9 | 1,403.0 | 1,048.9 | 803.4 |
| TOTAL REVENUES | 13,952.7 | 15,307.8 | 15,791.1 | 15,378.8 | 16,076.4 | 16,192.9 | 16,421.9 |
| EXPENDITURES: | | | | | | | |
| Executive Branch: | | | | | | | |
| Operating | 10,722.1 | 11,766.8 | 12,271.8 | 12,604.0 | 13,005.7 | 13,111.5 | 13,341.8 |
| Capital Investment | 1,175.3 | 3,110.73 | 3,102.60 | 1,769.38 | 1,145.55 | 384.99 | 191.90 |
| Other | 77.9 | 292.7 | 343.4 | 403.4 | 578.3 | 695.3 | 805.0 |
| Sub-total | 11,975.2 | 15,170.2 | 15,717.8 | 14,776.8 | 14,729.5 | 14,191.9 | 14,338.7 |
| Legislative Branch | 32.3 | 33.2 | 33.8 | 33.8 | 33.8 | 33.8 | 33.8 |
| Judicial Branch | 144.9 | 161.0 | 169.5 | 168.7 | 168.7 | 168.7 | 168.7 |
| OHA | 39.7 | 41.2 | 41.6 | 41.6 | 41.6 | 41.6 | 41.6 |
| Lapses | (182.1) | (65.0) | (65.0) | (65.0) | (65.0) | (65.0) | (65.0) |
| TOTAL EXPENDITURES | 12,010.0 | 15,340.7 | 15,897.7 | 14,955.9 | 14,908.6 | 14,370.9 | 14,517.7 |
| REVENUES OVER EXPEND. | 1,942.7 | (32.9) | (106.6) | 422.9 | 1,167.8 | 1,822.0 | 1,904.1 |
| CARRY-OVER BALANCE (DEFICIT) | | | | | | | |
| Beginning | 3,976.5 | 5,919.2 | 5,886.3 | 5,779.7 | 6,202.6 | 7,370.4 | 9,192.4 |
| Ending | 5,919.2 | 5,886.3 | 5,779.7 | 6,202.6 | 7,370.4 | 9,192.4 | 11,096.5 |

MULTI-YEAR FINANCIAL SUMMARY
GENERAL FUND
FISCAL YEARS 13 - 19
(in millions of dollars)

| | <u>Actual*</u> <u>FY 13</u> | <u>Estimated</u> <u>FY 14</u> | <u>Estimated</u> <u>FY 15</u> | <u>Estimated</u> <u>FY 16</u> | <u>Estimated</u> <u>FY 17</u> | <u>Estimated</u> <u>FY 18</u> | <u>Estimated</u> <u>FY 19</u> |
|--|--------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| REVENUES: | | | | | | | |
| Executive Branch: | | | | | | | |
| Tax revenues | 5,468.3 | 5,690.9 | 6,114.9 | 6,587.7 | 6,962.7 | 7,388.6 | 7,792.5 |
| Nontax revenues | 730.5 | 520.2 | 523.2 | 517.5 | 523.5 | 526.9 | 532.8 |
| Judicial Branch revenues | 35.7 | 36.4 | 37.0 | 37.7 | 38.4 | 39.1 | 39.8 |
| Other | - | 71.0 | (6.0) | 13.2 | 12.2 | 12.2 | 12.2 |
| TOTAL REVENUES | 6,234.4 | 6,318.6 | 6,669.0 | 7,156.1 | 7,536.8 | 7,966.8 | 8,377.3 |
| EXPENDITURES | | | | | | | |
| Executive Branch: | | | | | | | |
| Operating | 5,597.9 | 5,983.4 | 6,306.8 | 6,468.1 | 6,770.8 | 6,775.3 | 6,924.3 |
| CIP | - | - | 287.1 | 100.0 | 100.0 | 100.0 | 100.0 |
| Specific appropriations | 77.9 | 273.5 | 307.1 | 240.5 | 300.2 | 306.5 | 306.5 |
| Other | - | 19.2 | 36.3 | 163.0 | 278.1 | 388.8 | 498.4 |
| Sub-total - Exec Branch | 5,675.8 | 6,276.1 | 6,937.2 | 6,971.5 | 7,449.1 | 7,570.6 | 7,829.3 |
| Legislative Branch | 32.3 | 33.2 | 33.8 | 33.8 | 33.8 | 33.8 | 33.8 |
| Judicial Branch | 135.0 | 148.7 | 157.0 | 156.2 | 156.2 | 156.2 | 156.2 |
| OHA | 2.4 | 3.1 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 |
| Counties | 2.3 | - | - | - | - | - | - |
| Lapses | (182.1) | (65.0) | (65.0) | (65.0) | (65.0) | (65.0) | (65.0) |
| TOTAL EXPENDITURES | 5,665.7 | 6,396.1 | 7,065.9 | 7,099.3 | 7,576.9 | 7,698.4 | 7,957.0 |
| REV. OVER (UNDER) EXPEND. | 568.8 | (77.5) | (396.8) | 56.8 | (40.1) | 268.4 | 420.3 |
| CARRY-OVER BALANCE (DEFICIT) | | | | | | | |
| Beginning | 275.3 | 844.0 | 766.5 | 369.7 | 426.5 | 386.4 | 654.8 |
| Ending | 844.0 | 766.5 | 369.7 | 426.5 | 386.4 | 654.8 | 1,075.1 |
| Ending fund balance as % of revenues | 13.54% | 12.13% | 5.54% | 5.96% | 5.13% | 8.22% | 12.83% |
| <i>Emergency & Budget Reserve Fund**</i> | 24.2 | 83.1 | 141.1 | 153.4 | 165.7 | 175.0 | 184.4 |
| <i>Hawaii Hurricane Relief Fund**</i> | 20.8 | 126.3 | 231.7 | 231.7 | 231.6 | 231.6 | 231.5 |
| <i>Total - Reserves</i> | 45.0 | 209.4 | 372.8 | 385.1 | 397.3 | 406.6 | 415.9 |
| <i>Reserves fund balances as % of revenues</i> | 0.72% | 3.31% | 5.59% | 5.38% | 5.27% | 5.10% | 4.96% |

* unaudited

** reflects proposed additional recapitalization of EBRF and HHRF in FY 15

**SUMMARY STATEMENT OF GENERAL FUND
EXPENDITURE CEILING AND APPROPRIATIONS**

A. Total State Personal Income and State Growth

| | |
|---|--------|
| 1. Total State Personal Income (in \$ millions) | |
| Calendar Year 2009 | 55,666 |
| Calendar Year 2010 | 56,827 |
| Calendar Year 2011 | 60,095 |
| Calendar Year 2012 | 62,330 |
| Calendar Year 2013* | 64,262 |
| * As estimated by the Council on Revenues | |
| 2. State Growth | |
| Fiscal Year 2014 | 3.85% |
| Fiscal Year 2015 | 4.19% |

B. All Branches of State Government

| | |
|-------------------------------------|---------------|
| 1. General Fund Appropriations | |
| Fiscal Year 2013 | 5,847,756,888 |
| Fiscal Year 2014 (incl proposed) | 6,424,478,232 |
| Fiscal Year 2015 (incl proposed) | 7,066,600,089 |
| 2. General Fund Expenditure Ceiling | |
| Fiscal Year 2014 | 7,828,443,127 |
| Fiscal Year 2015 | 8,156,442,626 |

C. Executive Branch

| | |
|--|---------------|
| 1. Recommended General Fund Appropriations | |
| Fiscal Year 2014 | 6,256,877,056 |
| Fiscal Year 2015 | 6,900,920,388 |
| 2. Actual General Fund Appropriations | |
| Fiscal Year 2013 | 5,675,768,855 |
| Fiscal Year 2014 | 6,279,596,556 |
| Fiscal Year 2015 | 6,321,944,046 |
| 3. Proposed Add'l Appropriations FY 14 | |
| Proposed Add'l Appropriations FY 15 | (22,719,500) |
| | 578,976,342 |
| | Total FY 2014 |
| | 6,256,877,056 |
| | Total FY 2015 |
| | 6,900,920,388 |
| 4. General Fund Appropriation Ceiling | |
| Fiscal Year 2014 | 5,894,391,007 |
| Fiscal Year 2015 | 6,519,030,400 |

MULTI-YEAR FINANCIAL SUMMARY
 FUND BALANCES OF SPECIAL FUNDS
 FISCAL YEARS 13 - 19
 (in millions of dollars)

| | Prelim Actual* | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>FY 13</u> | <u>FY 14</u> | <u>FY 15</u> | <u>FY 16</u> | <u>FY 17</u> | <u>FY 18</u> | <u>FY 19</u> |
| Transportation: | | | | | | | |
| Highways ** | 264.0 | 142.6 | 63.0 | (83.7) | (150.2) | (88.3) | 31.0 |
| Airports | 970.9 | 786.1 | 685.6 | 786.2 | 922.5 | 1,073.2 | 1,237.8 |
| Harbors | 234.2 | 225.5 | 217.0 | 212.5 | 217.1 | 226.4 | 238.5 |
| Agriculture ** | 22.0 | 19.0 | 16.3 | 9.6 | 3.0 | (3.6) | (10.2) |
| Business, Econ. Dev. & Tourism ** | 60.5 | 112.5 | 114.2 | 41.1 | (31.2) | (102.7) | (173.8) |
| Commerce & Consumer Affairs | 52.1 | 41.4 | 34.2 | 25.5 | 17.4 | 8.6 | 0.7 |
| Education | 28.9 | 104.8 | 133.6 | 261.5 | 389.3 | 517.1 | 644.9 |
| Health | 194.8 | 255.6 | 316.0 | 267.6 | 219.2 | 160.5 | 101.8 |
| Labor & Industrial Relations ** | 216.1 | 279.4 | 189.7 | 69.0 | (41.7) | (145.4) | (241.1) |
| Land and Natural Resources | 62.1 | 54.1 | 40.4 | 30.8 | 22.9 | 15.7 | 13.0 |
| University of Hawaii | 144.6 | 122.8 | 60.0 | 30.5 | 29.6 | 28.6 | 27.9 |
| Others | 123.1 | 127.4 | 127.4 | 137.9 | 150.0 | 164.4 | 179.4 |
| TOTAL | 2,373.3 | 2,271.2 | 1,997.4 | 1,788.5 | 1,748.0 | 1,854.4 | 2,049.8 |

* unaudited

** Revenue and expenditure projections will be reviewed.

MULTI-YEAR FINANCIAL SUMMARY
SPECIAL FUNDS
FISCAL YEARS 13 - 19
(in millions of dollars)

| | Prelim Actual* | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>FY 13</u> | <u>FY 14</u> | <u>FY 15</u> | <u>FY 16</u> | <u>FY 17</u> | <u>FY 18</u> | <u>FY 19</u> |
| REVENUES: | | | | | | | |
| Executive Branch: | | | | | | | |
| Tax Revenues | 782.4 | 806.8 | 699.4 | 666.1 | 678.1 | 687.7 | 698.3 |
| Nontax Revenues | 1,964.1 | 2,129.4 | 2,212.1 | 2,049.6 | 2,107.6 | 2,150.3 | 2,178.8 |
| Federal Funds | 348.3 | 373.4 | 325.5 | 325.5 | 325.5 | 325.5 | 325.5 |
| Judicial Branch Revenues | 10.3 | 11.6 | 11.8 | 12.0 | 12.2 | 12.5 | 12.8 |
| TOTAL REVENUES | 3,105.1 | 3,321.2 | 3,248.8 | 3,053.2 | 3,123.4 | 3,176.0 | 3,215.4 |
| EXPENDITURES: | | | | | | | |
| Executive Branch: | | | | | | | |
| Operating | 2,520.1 | 2,926.5 | 3,123.6 | 2,963.1 | 2,979.3 | 3,013.8 | 3,007.0 |
| Capital Investment | 424.0 | 484.8 | 386.8 | 286.9 | 172.5 | 43.7 | 0.8 |
| Sub-total | 2,944.1 | 3,411.3 | 3,510.4 | 3,250.0 | 3,151.8 | 3,057.5 | 3,007.8 |
| Judicial Branch | 9.5 | 12.0 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 |
| Total Expenditures | 2,953.6 | 3,423.3 | 3,522.5 | 3,262.1 | 3,163.9 | 3,069.6 | 3,019.9 |
| REVENUES OVER EXPEND. | 151.6 | (102.1) | (273.8) | (208.9) | (40.5) | 106.4 | 195.4 |
| CARRY-OVER BALANCE (DEFICIT) | | | | | | | |
| Beginning | 2,221.7 | 2,373.3 | 2,271.2 | 1,997.4 | 1,788.5 | 1,748.0 | 1,854.4 |
| Ending | 2,373.3 | 2,271.2 | 1,997.4 | 1,788.5 | 1,748.0 | 1,854.4 | 2,049.8 |

* unaudited

GENERAL FUND
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 13 - 19
(in thousands of dollars)

| <u>Source</u> | Prelim Actual* <u>FY 13</u> | Estimated <u>FY 14</u> | Estimated <u>FY 15</u> | Estimated <u>FY 16</u> | Estimated <u>FY 17</u> | Estimated <u>FY 18</u> | Estimated <u>FY 19</u> |
|--|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Licenses & Permits | 6,465 | 6,012 | 1,012 | 1,012 | 1,012 | 1,012 | 1,012 |
| Revenues From Use of Money and Property | 22,351 | 25,772 | 25,159 | 24,218 | 24,218 | 24,218 | 24,218 |
| Federal | 13,708 | 12,840 | 12,840 | 12,605 | 12,332 | 12,020 | 11,666 |
| Other Agencies | 2,422 | 2,516 | 2,516 | 2,516 | 2,516 | 2,516 | 2,516 |
| Charges for Current Services | 350,246 | 268,815 | 267,193 | 269,127 | 272,109 | 272,662 | 275,463 |
| Fines, Forfeits & Penalties | 760 | 530 | 540 | 530 | 540 | 530 | 540 |
| Repaymnt of Loans & Advances | 19,665 | 19,662 | 20,319 | 19,738 | 19,738 | 19,738 | 19,738 |
| Other Revenues | 314,870 | 184,058 | 193,581 | 187,721 | 191,043 | 194,235 | 197,691 |
| Sub-total | 730,487 | 520,206 | 523,161 | 517,468 | 523,508 | 526,931 | 532,844 |
| Judicial Branch Revenues | 35,659 | 36,433 | 37,009 | 37,731 | 38,384 | 39,088 | 39,765 |
| TOTAL | 766,146 | 556,639 | 560,170 | 555,199 | 561,892 | 566,019 | 572,609 |

* unaudited

SPECIAL REVENUE FUNDS
MULTI-YEAR REVENUES FROM TAXES
FISCAL YEARS 13 - 19
(in thousands of dollars)

| <u>Source</u> | Prelim Actual* <u>FY 13</u> | Estimated <u>FY 14</u> | Estimated <u>FY 15</u> | Estimated <u>FY 16</u> | Estimated <u>FY 17</u> | Estimated <u>FY 18</u> | Estimated <u>FY 19</u> |
|------------------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Transfer of Tobacco Tax | 17,925 | 34,235 | 34,235 | 34,235 | 34,235 | 34,235 | 34,235 |
| Liquid Fuel: | | | | | | | |
| Highway | 86,025 | 85,362 | 84,956 | 84,956 | 84,956 | 85,379 | 85,805 |
| Aviation | 4,707 | 4,338 | 4,338 | 4,338 | 4,338 | 4,338 | 4,338 |
| Small Boats | 1,621 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| Sub-total | 92,352 | 91,300 | 90,894 | 90,894 | 90,894 | 91,317 | 91,743 |
| Transfer of Trans. Accom. Tax | 104,000 | 117,100 | 117,100 | 117,100 | 117,100 | 117,100 | 117,100 |
| Motor Vehicle Weight Tax | 73,902 | 74,826 | 75,762 | 76,709 | 77,667 | 78,638 | 79,621 |
| Vehicle Registration Fee Tax | 47,703 | 48,125 | 48,552 | 48,984 | 49,420 | 49,860 | 50,304 |
| Vehicle Surcharge: | | | | | | | |
| Rental/Tour Vehicles | 47,593 | 48,307 | 49,031 | 49,768 | 50,514 | 51,272 | 52,040 |
| Environmental Response Tax | 9,063 | 8,890 | 8,890 | 5,190 | 5,190 | 5,190 | 5,190 |
| Unemployment Comp. Tax | 367,921 | 366,000 | 256,000 | 224,000 | 233,000 | 240,000 | 248,000 |
| Employment and Training | 424 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Election Campaign Contrib. T.F. | 198 | 190 | 180 | 180 | 180 | 180 | 180 |
| Transfer of Banks & fin. Corp. Tax | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Transfer of Conveyance Tax | 35,554 | 26,200 | 25,100 | 24,600 | 25,475 | 25,475 | 25,475 |
| Transfer of Ins. Premium Tax | 1,679 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 |
| TOTAL | 800,314 | 820,073 | 710,645 | 676,561 | 688,575 | 698,167 | 708,788 |

* unaudited

SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 13 - 19
(in thousands of dollars)

| <u>Source</u> | Prelim Actual* <u>FY 13</u> | Estimated <u>FY 14</u> | Estimated <u>FY 15</u> | Estimated <u>FY 16</u> | Estimated <u>FY 17</u> | Estimated <u>FY 18</u> | Estimated <u>FY 19</u> |
|--|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Licenses & Permits | 19,562 | 17,128 | 19,801 | 20,290 | 20,576 | 20,553 | 20,641 |
| Revenues From Use of Money and Property | 53,527 | 131,002 | 136,979 | 63,701 | 65,285 | 65,878 | 66,256 |
| Federal | 348,264 | 373,378 | 325,457 | 325,457 | 325,457 | 325,457 | 325,457 |
| Other Agencies | 51,930 | 51,240 | 58,497 | 50,503 | 50,508 | 40,194 | 40,200 |
| Charges for Current Services: Utilities & Other Enterprises | 524,890 | 513,190 | 530,858 | 559,622 | 585,697 | 637,147 | 658,517 |
| Others | 646,788 | 1,056,932 | 1,080,828 | 1,102,831 | 1,131,660 | 1,132,550 | 1,139,148 |
| Fines, Forfeits & Penalties | 7,648 | 6,405 | 5,586 | 5,746 | 5,807 | 5,871 | 5,936 |
| Non-Revenue Receipts | 659,772 | 353,551 | 379,529 | 246,955 | 248,106 | 248,105 | 248,111 |
| Judicial Branch Revenues | 10,340 | 11,628 | 11,814 | 12,023 | 12,233 | 12,548 | 12,767 |
| TOTAL | 2,322,722 | 2,514,454 | 2,549,350 | 2,387,128 | 2,445,329 | 2,488,303 | 2,517,033 |

* unaudited

SPECIAL REVENUE FUNDS - OTHER THAN SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 13 - 19
(in thousands of dollars)

| <u>Source</u> | <u>Estimated FY 13</u> | <u>Estimated FY 14</u> | <u>Estimated FY 15</u> | <u>Estimated FY 16</u> | <u>Estimated FY 17</u> | <u>Estimated FY 18</u> | <u>Estimated FY 19</u> |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Licenses & Permits | 624 | 596 | 625 | 625 | 625 | 625 | 625 |
| Revenues From Use of Money and Property | 76,423 | 67,155 | 66,039 | 67,006 | 67,185 | 66,713 | 66,798 |
| Federal | 2,344,888 | 2,441,378 | 2,457,521 | 2,511,913 | 2,667,007 | 2,667,007 | 2,666,557 |
| Federal - American Recovery & Reinvestment Act | 55,782 | 34,371 | 30,059 | - | - | - | - |
| Other Agencies | 20,045 | 19,618 | 19,481 | 19,420 | 19,220 | 19,220 | 19,220 |
| Charges for Current Services | 187,927 | 113,000 | 112,962 | 119,566 | 112,996 | 112,550 | 111,964 |
| Fines, Forfeits & Penalties | 2,312 | 1,359 | 1,360 | 1,362 | 1,362 | 1,362 | 1,362 |
| Repayment of Loans & Advances | 100,440 | 49,871 | 82,189 | 63,053 | 46,818 | 36,892 | 60,984 |
| Non-Revenue Receipts | 1,226,301 | 1,185,493 | 1,103,349 | 1,071,014 | 1,072,321 | 1,071,167 | 1,072,421 |
| Judiciary Revenues | | | | | | | |
| OHA Revenues | 22,540 | 21,200 | 21,200 | 15,200 | 15,200 | 15,200 | 15,200 |
| TOTAL | 4,037,282 | 3,934,041 | 3,894,785 | 3,869,159 | 4,002,734 | 3,990,736 | 4,015,131 |

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF GENERAL OBLIGATION BONDS AND REVENUE BONDS
TO BE ISSUED IN THE FISCAL BIENNIUM

| <u>GENERAL OBLIGATION BONDS</u> | | <u>AMOUNT</u> | <u>TOTAL</u> |
|---------------------------------|--------|--------------------|-------------------------|
| FY 2013-2014 | Second | \$ - | |
| Quarters | Fourth | <u>415,205,000</u> | \$ 415,205,000 |
| | | | |
| FY 2014-2015 | Second | \$ 400,000,000 | |
| Quarters | Fourth | <u>400,000,000</u> | <u>800,000,000</u> |
| TOTAL GENERAL OBLIGATION BONDS | | | <u>\$ 1,215,205,000</u> |

REVENUE BONDS

| | | | | |
|---------------------|--------|--|--------------------|-------------------------|
| FY 2013-2014 | Second | Hawaii Health Systems Corporation - Others | \$ 11,495,683 | |
| Quarters | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Third | Department of Business, Economic Development & Tourism | 150,000,000 | |
| | Third | DOT- Highways | 80,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | <u>106,850,000</u> | \$ 408,345,683 |
| | | | | |
| FY 2014-2015 | Second | Hawaii Health Systems Corporation - Others | \$ 5,000,000 | |
| Quarters | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Second | Hawaii Housing Finance & Development Corp. | 45,700,000 | |
| | Third | Department of Business, Economic Development & Tourism | 75,000,000 | |
| | Third | DOT - Airports | 449,768,000 | |
| | Third | DOT - Harbors | 200,000,000 | |
| | Third | Hawaii Health Systems Corporation - Maui Region | 12,640,000 | |
| | Third | Hawaii Housing Finance & Development Corp. | 29,000,000 | |
| | Third | University of Hawaii | 248,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | <u>42,231,320</u> | <u>\$ 1,167,339,320</u> |
| TOTAL REVENUE BONDS | | | | <u>\$ 1,575,685,003</u> |

**SCHEDULE OF PROJECTED DEBT SERVICE CHARGES FOR GENERAL OBLIGATION BONDS
ISSUED AND TO BE ISSUED BY JUNE 30, 2020**

(IN THOUSANDS)

| Fiscal Year | Debt Service On Bonds Outstanding As of June 30, 2013 | | | Debt Service On Bonds To Be Issued Through June 30, 2020 | | | Total Estimated Debt Service | | |
|-------------|--|------------------------------|---------|---|------------------------------|---------|------------------------------|------------------------------|---------|
| | Direct From General Fund | Reimbursable Debt Service | Total | Direct From General Fund | Reimbursable Debt Service | Total | Direct From General Fund | Reimbursable Debt Service | Total |
| 2013-2014 | 655,438 | 35,015 | 690,453 | 0 | 0 | 0 | 655,438 | 35,015 | 690,453 |
| 2014-2015 | 658,968 | 34,709 | 693,677 | 35,066 | 1,846 | 36,912 | 694,034 | 36,555 | 730,589 |
| 2015-2016 | 628,023 | 33,124 | 661,147 | 81,379 | 4,283 | 85,662 | 709,402 | 37,407 | 746,809 |
| 2016-2017 | 628,396 | 32,728 | 661,124 | 130,541 | 6,871 | 137,412 | 758,937 | 39,599 | 798,536 |
| 2017-2018 | 589,822 | 31,485 | 621,307 | 177,566 | 9,346 | 186,912 | 767,388 | 40,831 | 808,219 |
| 2018-2019 | 578,966 | 30,417 | 609,383 | 227,133 | 11,954 | 239,087 | 806,099 | 42,371 | 848,470 |
| 2019-2020 | 509,280 | 30,418 | 539,698 | 290,491 | 15,289 | 305,780 | 799,771 | 45,707 | 845,478 |

Schedule of General Obligation Bond Sales:

Fiscal Year 2013-2014

First Half \$0 *

Second Half \$415,205,000

Fiscal Year 2014-2015

First Half \$400,000,000

Maturities of Bonds to be issued:

20 year serial bonds with principal repayment beginning the fifth year.

Method of Retirement:

Maturing in substantial equal installment of debt service (principal and interest)

Assumed Interest Rate: 6.00%

Projected Reimbursable Debt Service:

Assumed average of reimbursable debt service to total debt service at 5%

*Note: GO of 2013 Series EH (\$635M), Refunding Series EI, EJ, EK, & EL (\$171.060M), and Taxable Series EM & EN (\$54.795M) closed on November 21, 2013

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF GENERAL OBLIGATION BONDS
TO BE ISSUED FROM FISCAL YEAR 2014 TO FISCAL YEAR 2020

GENERAL OBLIGATION BONDS

| <u>FY</u> | <u>Quarter</u> | <u>Description</u> | <u>Amount</u> | <u>Total</u> |
|--|------------------|---|---|-------------------------|
| Actual: | | | | |
| FY 2012-2013 | Second | GO 2012 Series EE (\$444M), Refunding Series EF (\$397M), & Taxable Series EG (\$26M) | <u>\$ 866,990,000</u> | \$ 866,990,000 |
| FY 2013-2014 | Second | GO 2013 Series EH(\$635M), Refunding Series EI, EJ, EK, & EL (\$171.060M), and Taxable Series EM & EN (\$54.795M) | <u>\$ 860,855,000</u> | <u>\$ 860,855,000</u> |
| Total General Obligation Bonds - Actual | | | | <u>\$ 1,727,845,000</u> |
| Projected: | | | | |
| FY 2013-2014 | Fourth | | <u>\$ 415,205,000</u> | \$ 415,205,000 |
| FY 2014-2015 | Second Fourth | | <u>\$ 400,000,000</u> <u>400,000,000</u> | \$ 800,000,000 |
| FY 2015-2016 | Second Fourth | | <u>\$ 425,000,000</u> <u>425,000,000</u> | \$ 850,000,000 |
| FY 2016-2017 | Second Fourth | | <u>\$ 450,000,000</u> <u>450,000,000</u> | \$ 900,000,000 |
| FY 2017-2018 | Second Fourth | | <u>\$ 300,000,000</u> <u>300,000,000</u> | \$ 600,000,000 |
| FY 2018-2019 | Second Fourth | | <u>\$ 300,000,000</u> <u>300,000,000</u> | \$ 600,000,000 |
| FY 2019-2020 | Second Fourth | | <u>\$ 300,000,000</u> <u>300,000,000</u> | <u>\$ 600,000,000</u> |
| Total General Obligation Bonds-Projected | | | | <u>\$ 4,765,205,000</u> |

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF REVENUE BONDS
TO BE ISSUED FROM FISCAL YEAR 2014 TO FISCAL YEAR 2020

REVENUE BONDS

| <u>FY</u> | <u>Quarter</u> | <u>Description</u> | <u>Amount</u> | <u>Total</u> |
|---------------------------------|--|--|--------------------|-------------------------|
| Actual: | | | | |
| FY 2012-2013 | First | Hawaii Housing Finance & Development Corp. (Senior Residence at Iwilei) Series 2012 A | \$ 33,000,000 | |
| | First | Hawaii Health Systems Corporation-Maui Region Series 2012A&B | 9,001,000 | |
| | Second | Hawaii Housing Finance & Development Corp. (Hale Makana O Nanakuli Apartments Project) Series 2012 | 7,350,000 | |
| | Second | Hawaii Housing Finance & Development Corp. (Halekauwila) Series 2012 A & B | 40,000,000 | |
| | Third | Hawaii Housing Finance & Development Corp. (Ewa Apartments Phase 2) Series 2013 A-1 & A-2 | 15,762,000 | |
| | Third | Hawaii Housing Finance & Development Corp. (Single Family Mortgage Purchase Taxable/Refunding Revenue Bonds) Series 2013 A | <u>26,309,825</u> | \$ 131,422,825 |
| FY 2013-2014 | First | DOT-Harbors System Refunding Revenue Bonds Series 2013 A | \$ 23,615,000 | |
| | Second | Hawaii Health Systems Corporation-Maui Regional System Revenue Bonds Anticipation Notes, Series 2013 | <u>12,640,000</u> | \$ 36,255,000 |
| Total Revenue Bonds - Actual | | | | <u>\$ 167,677,825</u> |
| Projected: | | | | |
| FY 2013-2014 | Second | Hawaii Health Systems Corporation - Others | \$ 11,495,683 | |
| | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Third | Department of Business, Economic Development & Tourism | 150,000,000 | |
| | Third | DOT- Highways | 80,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | <u>106,850,000</u> | \$ 408,345,683 |
| FY 2014-2015 | Second | Hawaii Health Systems Corporation - Others | \$ 5,000,000 | |
| | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Second | Hawaii Housing Finance & Development Corp. | 45,700,000 | |
| | Third | Department of Business, Economic Development & Tourism | 75,000,000 | |
| | Third | DOT - Airports | 449,768,000 | |
| | Third | DOT - Harbors | 200,000,000 | |
| | Third | Hawaii Health Systems Corporation - Maui Region | 12,640,000 | |
| | Third | Hawaii Housing Finance & Development Corp. | 29,000,000 | |
| | Third | University of Hawaii | 248,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| Fourth | Hawaii Housing Finance & Development Corp. | <u>42,231,320</u> | \$ 1,167,339,320 | |
| FY 2015-2016 | First | Hawaii Health Systems Corporation - Maui Region | \$ 15,000,000 | |
| | First | Hawaii Housing Finance & Development Corp. | 18,000,000 | |
| | Second | DOT- Highways | 80,000,000 | |
| | Second | Hawaii Health Systems Corporation - Others | 5,000,000 | |
| | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Third | Department of Business, Economic Development & Tourism | 75,000,000 | |
| | Third | Hawaii Housing Finance & Development Corp. | 10,000,000 | |
| | Third | University of Hawaii | 176,900,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | <u>30,000,000</u> | \$ 439,900,000 |
| FY 2016-2017 | First | DOT - Airports | \$ 300,044,000 | |
| | First | Hawaii Housing Finance & Development Corp. | 10,000,000 | |
| | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Third | Department of Business, Economic Development & Tourism | 75,000,000 | |
| | Third | Hawaii Housing Finance & Development Corp. | 10,000,000 | |
| | Third | University of Hawaii | 48,000,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | <u>30,000,000</u> | \$ 503,044,000 |
| FY 2017-2018 | First | DOT - Airports | \$ 173,225,000 | |
| | First | Hawaii Housing Finance & Development Corp. | 10,000,000 | |
| | Second | DOT- Highways | 80,000,000 | |
| | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Third | Department of Business, Economic Development & Tourism | 75,000,000 | |
| | Third | Hawaii Housing Finance & Development Corp. | 10,000,000 | |
| | Third | University of Hawaii | 40,700,000 | |
| | Fourth | Hawaii Housing Finance & Development Corp. | <u>30,000,000</u> | \$ 448,925,000 |
| FY 2018-2019 | First | Hawaii Housing Finance & Development Corp. | \$ 10,000,000 | |
| | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Third | Department of Business, Economic Development & Tourism | 75,000,000 | |
| | Third | Hawaii Housing Finance & Development Corp. | 10,000,000 | |
| | Third | University of Hawaii | 48,400,000 | |
| Fourth | Hawaii Housing Finance & Development Corp. | <u>30,000,000</u> | \$ 203,400,000 | |
| FY 2019-2020 | First | Hawaii Housing Finance & Development Corp. | \$ 10,000,000 | |
| | Second | DOT- Highways | 80,000,000 | |
| | Second | Hawaii Housing Finance & Development Corp. | 30,000,000 | |
| | Third | Department of Business, Economic Development & Tourism | 75,000,000 | |
| | Third | Hawaii Housing Finance & Development Corp. | 10,000,000 | |
| | Third | University of Hawaii | 38,400,000 | |
| Fourth | Hawaii Housing Finance & Development Corp. | <u>30,000,000</u> | \$ 273,400,000 | |
| Total Revenue Bonds - Projected | | | | <u>\$ 3,444,354,003</u> |

DECLARATION OF FINDINGS

Pursuant to Section 37-72 of the Hawaii Revised Statutes, the Director of Finance finds and declares that with respect to the proposed capital improvement appropriations for the budget period 2014-2015 for which the source of funding is general obligation bonds:

(1) Limitation on general obligation debt. Article VII, Section 13, of the State Constitution, states in part: "General obligation bonds may be issued by the State; provided that such bonds at the time of issuance would not cause the total amount of principal and interest payable in the current or any future fiscal year, whichever is higher, on such bonds and on all outstanding general obligation bonds to exceed ... a sum equal to eighteen and one-half percent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance." Article VII, Section 13, also provides that in determining the power of the State to issue general obligation bonds, certain bonds are excludable, including "reimbursable general obligation bonds issued for a public undertaking, improvement or system but only to the extent that reimbursements to the general fund are in fact made from the net revenue, or net user tax receipts, or combination of both, as determined for the immediately preceding fiscal year."

(2) Actual and estimated debt limits. The limit on principal and interest of general obligation bonds issued by the State, actual for fiscal year 2013-2014 and estimated for each fiscal year from fiscal year 2014-2015 to 2016-2017, is as follows:

| <u>Fiscal Year</u> | <u>Net General Fund Revenues</u> | <u>Debt Limit</u> |
|--------------------|----------------------------------|-------------------|
| 2010-2011 | 5,102,646,283 | |
| 2011-2012 | 5,648,800,650 | |
| 2012-2013 | 6,226,008,766 | |
| 2013-2014 | 6,242,189,000 | 1,046,943,101 |
| 2014-2015 | 6,669,965,000 | 1,117,214,902 |
| 2015-2016 | 7,139,241,000 | 1,180,186,704 |
| 2016-2017 | (not applicable) | 1,236,502,692 |

For fiscal years, 2013-2014, 2014-2015, 2015-2016 and 2016-2017 respectively, the debt limit is derived by multiplying the average of the net general fund revenues for the three preceding fiscal years by eighteen and one-half percent. The net general fund revenues for fiscal years 2010-2011, 2011-2012 and 2012-2013 are actual, as certified by the Director of Finance in the Statement of the Debt Limit of the State of Hawaii as of July 1, 2013, dated October 8, 2013. The net general fund revenues for fiscal years 2013-2014 to 2015-2016 are estimates, based on general fund revenue estimates made as of September 10, 2013, by the Council On Revenues, the body assigned by Article VII, Section 7, of the State Constitution to make such estimates, and based on estimates made by the Department of Budget and Finance of those receipts which cannot be included as general fund revenues for the purpose of calculating the debt limit, all of which estimates the Director of Finance finds to be reasonable.

(3) Principal and interest on outstanding bonds applicable to the debt limit. In determining the power of the State to issue general obligation bonds for the fiscal years 2013-2014 to 2033-2034, the total amount of principal and interest on outstanding general obligation bonds are as follows:

| Fiscal Year Ending June 30 | Gross | | | Excludable | | | Net Debt Service | | |
|----------------------------------|----------------------|---------------------|-------------------------|----------------------|---------------------|-------------------------|----------------------|---------------------|-------------------------|
| | Principal Payable | Interest Payable | Debt Service Payable | Principal Payable | Interest Payable | Debt Service Payable | Principal Payable | Interest Payable | Debt Service Payable |
| 2014 | 432,315,000 | 258,138,121 | 690,453,121 | 5,765,774 | 1,853,218 | 7,618,992 | 426,549,226 | 256,284,903 | 682,834,129 |
| 2015 | 413,970,000 | 279,706,775 | 693,676,775 | 5,684,380 | 1,694,914 | 7,379,294 | 408,285,620 | 278,011,861 | 686,297,481 |
| 2016 | 408,265,000 | 252,882,005 | 661,147,005 | 4,392,997 | 1,540,729 | 5,933,726 | 403,872,003 | 251,341,277 | 655,213,279 |
| 2017 | 427,575,000 | 233,549,043 | 661,124,043 | 4,162,432 | 1,409,788 | 5,572,219 | 423,412,568 | 232,139,255 | 655,551,824 |
| 2018 | 408,850,000 | 212,456,856 | 621,306,856 | 3,111,048 | 1,274,682 | 4,385,731 | 405,738,952 | 211,182,174 | 616,921,125 |
| 2019 | 414,835,000 | 194,547,721 | 609,382,721 | 2,230,352 | 1,153,278 | 3,383,630 | 412,604,648 | 193,394,443 | 605,999,091 |
| 2020 | 364,550,000 | 175,148,329 | 539,698,329 | 2,339,328 | 1,044,279 | 3,383,607 | 362,210,672 | 174,104,050 | 536,314,722 |
| 2021 | 317,035,000 | 158,679,163 | 475,714,163 | 2,453,591 | 930,000 | 3,383,591 | 314,581,409 | 157,749,162 | 472,330,572 |
| 2022 | 334,755,000 | 143,228,692 | 477,983,692 | 2,572,569 | 808,089 | 3,380,658 | 332,182,431 | 142,420,603 | 474,603,034 |
| 2023 | 332,235,000 | 127,153,165 | 459,388,165 | 2,700,670 | 680,029 | 3,380,698 | 329,534,330 | 126,473,137 | 456,007,467 |
| 2024 | 339,895,000 | 110,896,997 | 450,791,997 | 2,835,234 | 545,738 | 3,380,972 | 337,059,766 | 110,351,259 | 447,411,025 |
| 2025 | 315,835,000 | 95,611,091 | 411,446,091 | 2,976,674 | 404,301 | 3,380,975 | 312,858,326 | 95,206,789 | 408,065,116 |
| 2026 | 307,685,000 | 80,879,173 | 388,564,173 | 3,124,957 | 255,885 | 3,380,842 | 304,560,043 | 80,623,288 | 385,183,331 |
| 2027 | 272,105,000 | 65,971,896 | 338,076,896 | 1,135,554 | 100,184 | 1,235,738 | 270,969,446 | 65,871,712 | 336,841,158 |
| 2028 | 254,660,000 | 52,450,830 | 307,110,830 | 893,484 | 43,869 | 937,352 | 253,766,516 | 52,406,961 | 306,173,478 |
| 2029 | 234,445,000 | 39,591,103 | 274,036,103 | 0 | 0 | 0 | 234,445,000 | 39,591,103 | 274,036,103 |
| 2030 | 193,120,000 | 27,766,861 | 220,886,861 | 0 | 0 | 0 | 193,120,000 | 27,766,861 | 220,886,861 |
| 2031 | 156,040,000 | 18,195,588 | 174,235,588 | 0 | 0 | 0 | 156,040,000 | 18,195,588 | 174,235,588 |
| 2032 | 163,160,000 | 10,988,310 | 174,148,310 | 0 | 0 | 0 | 163,160,000 | 10,988,310 | 174,148,310 |
| 2033 | 96,815,000 | 5,002,523 | 101,817,523 | 0 | 0 | 0 | 96,815,000 | 5,002,523 | 101,817,523 |
| 2034 | 59,485,000 | 1,395,505 | 60,880,505 | 0 | 0 | 0 | 59,485,000 | 1,395,505 | 60,880,505 |

-3-

Additionally, the outstanding principal amount of bonds constituting instruments of indebtedness in which the State has incurred a contingent liability as a guarantor is \$233,500,000, all or a portion of which pursuant to Article VII, Section 13 of the State Constitution, is excludable in determining the power of the State to issue general obligation bonds.

(4) Amount of authorized and unissued general obligation bonds and proposed bonds. As calculated from the State Comptroller's bond fund report as of October 31, 2013, adjusted for (a) appropriations made in Acts 134 and 133, Session Laws of Hawaii 2013, to be expended in fiscal year 2014-2015 (b) lapses proposed in THE EXECUTIVE BUDGET SUPPLEMENTAL [Budget Period: 2013-2015] (referred to as the "Budget") the total amount of authorized but unissued general obligation bonds amounts to \$2,388,525,208. The amount of general obligation bonds proposed in the Budget is \$539,078,000 (does not include capital improvement appropriations to be funded through the issuance of general obligation bonds proposed by the Judiciary). The total amount of general obligation bonds previously authorized and unissued and the general obligation bonds proposed in the Budget is \$2,927,603,208.

(5) Proposed general obligation bond issuance. As reported in the Budget, as it applies to the fiscal period 2013-2014 to 2016-2017, the State proposed to issue \$415,205,000 in general obligation bonds during the remainder of fiscal year 2013-2014, \$400,000,000 in general obligation bonds during the first half of fiscal year 2014-2015, and \$400,000,000 in general obligation bonds during the second half of fiscal year 2014-2015, \$425,000,000 in general obligation bonds during the first half of fiscal year 2015-2016, and \$425,000,000 in general obligation bonds during the second half of fiscal year 2015-2016, \$450,000,000 in general obligation bonds during the first half of fiscal year 2016-2017 and \$450,000,000 in general obligation bonds during the second half of fiscal year 2016-2017. It is the practice of the State to issue twenty-year serial bonds with principal repayments beginning the fifth year, payable in substantially equal annual installments of principal and interest payment with interest payments commencing six months from the date of issuance and being paid semi-annually thereafter. It is assumed that this practice will continue to be applied to the bonds which are proposed to be issued.

(6) Sufficiency of proposed general obligation bond issuance to meet the requirements of authorized and unissued bonds and the bonds proposed in the Budget. From the schedule reported in paragraph (5), the total amount of general obligation bonds, which the State proposes to issue during this fiscal year and in fiscal years 2014-2015, 2015-2016, and 2016-2017, is \$2,965,205,000. The total amount of \$2,965,205,000 which is proposed to be issued through fiscal year 2016-2017 is sufficient to meet the requirements of the previously authorized and unissued bonds and the bonds proposed in the Budget, the total amount of which is \$2,927,603,208 as reported in paragraph (4). Thus, taking the Budget into account, the amount of previously authorized and unissued bonds and bonds proposed, versus the amount of bonds which is proposed to be issued by June 30, 2017, the Director of Finance finds that in the aggregate, the amount of bonds is sufficient to meet these requirements.

(7) Bonds excludable in determining the power of the State to issue bonds. As noted in paragraph (1), certain bonds are excludable in determining the power of the State to issue general obligation bonds. (A) General obligation reimbursable bonds can be excluded under certain conditions. It is not possible to make a conclusive determination as to the amount of reimbursable bonds which are excludable from the amount of each proposed bond issuance because:

(i) It is not known exactly when projects for which reimbursable bonds have been authorized in prior acts and in the Budget will be implemented and will require the application of proceeds from a particular bond issue; and

(ii) Not all reimbursable general obligation bonds may qualify for exclusion.

However, the Director of Finance notes that with respect to the principal and interest on outstanding general obligation bonds, as reported in Section 3 herein, the average proportion of principal and interest which is excludable each year from calculation against the debt limit is 0.80 percent for approximately ten years from fiscal year 2013-2014 to fiscal year 2022-2023. For the purpose of this declaration, the assumption is made that 0.75 percent of each bond issue will be excludable from the debt limit, an assumption which the Director of Finance finds to be reasonable and conservative. (B) Bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor can be excluded but only to the extent the principal amount of such guaranties does not exceed seven percent of the principal amount of outstanding general obligation bonds not otherwise excluded under subparagraph (A) of this paragraph (7) and provided that the State shall establish and maintain a reserve in an amount in reasonable proportion to the outstanding loans guaranteed by the State as provided by law. According to the Department of Budget and Finance and the assumptions presented herein, the total principal amount of outstanding general obligation bonds and general obligation bonds proposed to be issued, which are not otherwise excluded under Article VII, Section 13 of the State Constitution for the fiscal years 2013-2014, 2014-2015, 2015-2016 and 2016-2017 are as follows:

| <u>Fiscal Year</u> | <u>Total amount of General Obligation Bonds not otherwise excluded by Article VII, Section 13 of the State Constitution</u> |
|--------------------|---|
| 2013-2014 | 6,386,115,000 |
| 2014-2015 | 7,180,115,000 |
| 2015-2016 | 8,023,745,000 |
| 2016-2017 | 8,916,995,000 |

Based on the foregoing and based on the assumption that the full amount of a guaranty is immediately due and payable when such guaranty changes from a contingent liability to an actual liability, the aggregate principal amount of the portion of the outstanding guaranties and the

guaranties proposed to be incurred, which does not exceed seven percent of the average amount set forth in the last column of the above table and for which reserve funds have been or will have been established as heretofore provided by, can be excluded in determining the power of the State to issue general obligation bonds. As it is not possible to predict with a reasonable degree of certainty when a guaranty will change from a contingent liability to an actual liability, it is assumed in conformity with fiscal conservatism and prudence, that all guaranties not otherwise excluded pursuant to Article VII, Section 13 of the State Constitution will become due and payable in the same fiscal year in which the greatest amount of principal and interest on general obligation bonds, after exclusions, occurs. Thus, based on such assumptions and on the determination in paragraph (8), the aggregate principal amount of the portion of the outstanding guaranties; which must be included in determining the power of the State to issue general obligation bonds, is \$0.

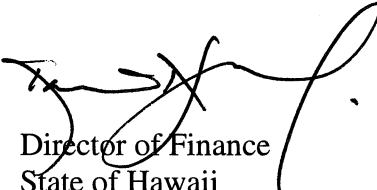
(8) Determination whether the debt limit will be exceeded at the time of issuance. From the foregoing and on the assumption that the bonds identified in paragraph (5) will be issued at an interest rate of 6.00 percent thereafter, as reported in the Budget, it can be determined from the following schedule that the bonds which are proposed to be issued, which includes all bonds issued and outstanding, bonds previously authorized and unissued and the bonds proposed in the Budget, will not cause the debt limit to be exceeded at the time of each bond issuance:

| <u>Time of Issue and Amount of Issue to be Counted Against Debt Limit</u> | <u>Debt Limit at Time of Issuance</u> | <u>Greatest Amount & Year of Principal & Interest</u> |
|---|---|---|
| 2nd half FY 2013-2014 \$412,095,000 | 1,046,943,101 | 693,676,775 (2014-2015) |
| 1st half FY 2014-2015 \$397,000,000 | 1,117,214,902 | 709,669,743 (2016-2017) |
| 2nd half FY 2014-2015 \$397,000,000 | 1,117,214,902 | 733,489,743 (2016-2017) |
| 1st half FY 2015-2016 \$421,815,000 | 1,180,186,704 | 746,144,193 (2016-2017) |
| 2nd half FY 2015-2016 \$421,815,000 | 1,180,186,704 | 748,416,221 (2018-2019) |
| 1st half FY 2016-2017 \$446,625,000 | 1,236,502,692 | 775,213,721 (2018-2019) |
| 2nd half FY 2016-2017 \$446,625,000 | 1,236,502,692 | 802,011,221 (2018-2019) |

(9) Overall and concluding finding. From the facts, estimates, and assumptions stated in this declaration of findings, the conclusion is reached that the total amount of principal and interest estimated for the general obligation bonds proposed in the Budget and for all bonds previously

authorized and unissued and calculated for all bonds issued and outstanding and guaranties, will not cause the debt limit to be exceeded at the time of issuance.

The Director of Finance hereby finds that the bases for the declaration of findings set forth herein are reasonable. The assumptions set forth in this declaration with respect to the principal amount of general obligation bonds which will be issued, the amount of principal and interest on reimbursable general obligation bonds which are assumed to be excludable and the assumed maturity structure shall not be deemed to be binding, it being the understanding that such matters must remain subject to substantial flexibility.



Director of Finance
State of Hawaii