HAWAII CONVENTION CENTER

Special-Purpose Financial Statements and Supplementary Information

December 31, 2016 and 2015

(With Independent Auditor's Report Thereon)

CW Associates

A Hawaii Certified Public Accounting Corporation

HAWAII CONVENTION CENTER

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INDEPENDENT AUDITOR'S REPORT

Hawaii Convention Center:

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of Hawaii Convention Center (Center), which comprise the special-purpose statement of assets, liabilities, and net assets as of December 31, 2016, and the related special-purpose statements of revenue, expenses, and changes in net assets, and of cash flows for the year then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the provisions of the contract agreement between the Hawaii Tourism Authority (Authority) and AEG Management HCC, LLC (AEG) described in Note 2; this includes determining that the provisions of the contract agreement between the Authority and AEG is an acceptable basis for the preparation of the special-purpose financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose 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 special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion on the Special-Purpose Financial Statements

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Center as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with the provisions of the contract agreement between the Authority and AEG as described in Note 2 to the special-purpose financial statements.

Basis of Accounting

We draw attention to Note 2 to the special-purpose financial statements, which describes the basis of accounting. The special-purpose financial statements are prepared by the Center on the basis of the provisions of the contract agreement between the Authority and AEG, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial reporting provisions of the contract agreement referenced to above. Our opinion is not modified with respect to this matter.

Other Matter

The special-purpose financial statements and accompanying supplementary information of the Center as of and for the year ended December 31, 2015, were audited by another auditor who expressed an unmodified opinion on those audited special-purpose financial statements and supplementary information in their report dated September 23, 2016.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements as a whole. The information in the accompanying supplementary schedule of changes in net assets and schedule of revenue, expenses, and changes in net assets for the year ended December 31, 2016, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

Restricted Use

The above reports are intended solely for the information and use of the Auditor, State of Hawaii and the board of directors and management of the Authority and AEG, and is not intended to be and should not be used by anyone other than these specified parties.

CW Associates, CPAs

Honolulu, Hawaii
August 2, 2017

HAWAII CONVENTION CENTER

SPECIAL-PURPOSE STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS

As of December 31, 2016 and 2015

	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,650,121	$ 3,134,568
Accounts receivable, net of allowance for doubtful accounts	527,916	1,032,913
Due from Hawaii Tourism Authority	1,391,780	4,361,517
Prepaid expenses	144,130	204,980
Deposits and other assets	200,012	8,356
Total current assets	5,913,959	8,742,334
Restricted cash	10,055,117	11,631,873
Total assets	$15,969,076	$20,374,207
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 1,410,985	$ 1,355,540
Due to Hawaii Tourism Authority	671,428	4,610,258
Accrued compensation	530,302	631,630
Advance deposits	545,662	401,110
Other liabilities	8,886	1,450
Total current liabilities	3,167,263	6,999,988
Net assets		
Unrestricted net assets	2,746,696	1,742,346
Restricted net assets	10,055,117	11,631,873
Total net assets	12,801,813	13,374,219
Total liabilities and net assets	$15,969,076	$20,374,207

See accompanying notes to the special-purpose financial statements.

HAWAII CONVENTION CENTER

SPECIAL-PURPOSE STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2016 and 2015

	2016	2015
Operating revenue, net		
Food and beverage	$11,504,000	$ 9,676,745
Rental income	2,199,384	2,234,242
Events	2,125,071	2,258,801
Other	219,232	67,103
Total operating revenue	16,047,687	14,236,891
Operating expenses		
Cost of goods sold		
Food and beverage	1,662,008	1,311,262
Other direct food and beverage costs	2,309,821	2,385,149
Total cost of goods sold	3,971,829	3,696,411
Other operating expenses		
Salaries and wages	5,032,693	5,318,710
Utilities	2,064,378	2,335,954
Contract labor	1,590,381	1,293,677
Marketing Flexibility Fund	1,474,532	204,022
Payroll taxes and benefits	1,214,452	1,270,122
Building operations	1,071,893	785,603
Repairs and maintenance	719,044	691,727
Promotion	498,741	475,944
Management fee	418,416	428,400
Advertising	285,269	173,028
Meetings and conventions	277,051	325,198
Insurance	172,947	178,734
Professional fees	64,999	41,627
Travel and entertainment	59,395	32,908
Furniture, fixtures, and equipment	55,855	47,081
Dues and subscriptions	33,659	35,412
Community relations	33,088	-
Printing and stationery	27,728	30,208
Office supplies	26,210	27,904
Employee training	25,254	30,551
General excise tax	25,199	24,234
Computer	18,167	25,721
Miscellaneous	106,381	77,678
Total other operating expenses	15,295,732	13,854,443
Total operating expenses	19,267,561	17,550,854
Operating loss	(3,219,874)	(3,313,963)

(Continued)

HAWAII CONVENTION CENTER

SPECIAL-PURPOSE STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS (Continued)

For the Years Ended December 31, 2016 and 2015

Operating loss	$ (3,219,874)	$ (3,313,963)
Nonoperating revenue		
Interest and dividend income	8,260	10,470
Total nonoperating revenue, net	8,260	10,470
Loss before capital improvement funded expenses, contributions and remittance	(3,211,614)	(3,303,493)
Major repairs and maintenance expenses	(91,014)	(444,720)
Contributions from Hawaii Tourism Authority	13,073,003	13,800,919
Remittance to Hawaii Tourism Authority for completed events revenue	(10,342,781)	(8,462,365)
Change in net assets	(572,406)	1,590,341
Net assets at beginning of year	13,374,219	11,783,878
Net assets at end of year	$ 12,801,813	$ 13,374,219

See accompanying notes to the special-purpose financial statements.

HAWAII CONVENTION CENTER

SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Cash received from customers	$ 16,697,236	$13,757,179
Cash payments to suppliers of goods and services	(13,088,341)	(11,056,433)
Cash payments to employees	(6,348,473)	(6,450,945)
Net cash used in operating activities	(2,739,578)	(3,750,199)
Cash flows from noncapital financing activities		
Major repairs and maintenance expenses	(91,014)	(444,720)
Contributions received from Hawaii Tourism Authority	17,619,496	8,741,803
Funds remitted to Hawaii Tourism Authority	(14,281,611)	(5,747,730)
Net cash provided by noncapital financing activities	3,246,871	2,549,353
Cash flows from investing activities		
Interest and dividend income	8,260	10,470
Net cash provided by investing activities	8,260	10,470
Net increase (decrease) in cash and cash equivalents	515,553	(1,190,376)
Cash and cash equivalents at beginning of year	3,134,568	4,324,944
Cash and cash equivalents at end of year	$ 3,650,121	$ 3,134,568
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ (3,219,874)	$ (3,313,963)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Decrease (increase) in operating assets:		
Accounts receivable, net of allowance for doubtful accounts	504,997	(502,779)
Prepaid expenses	60,850	(151,530)
Deposits and other assets	(191,656)	(1,856)
Increase (decrease) in operating liabilities:		
Accounts payable	55,445	59,428
Accrued compensation	(101,328)	137,887
Advance deposits	144,552	23,067
Other liabilities	7,436	(453)
Total adjustments	480,296	(436,236)
Net cash used in operating activities	$ (2,739,578)	$ (3,750,199)

See accompanying notes to the special-purpose financial statements.

HAWAII CONVENTION CENTER

NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS

For the Years Ended December 31, 2016 and 2015

(1) Organization

The Hawaii Convention Center (Center), which opened to the general public in June 1998, is used for a variety of events, including conventions and trade shows, public shows, and spectator events. The Center offers approximately 350,000 square feet of rentable space, including 51 meeting rooms.

Effective July 1, 2000, the Hawaii Tourism Authority, State of Hawaii (Authority) became responsible for the operation, management, and maintenance of the Center. The Authority is a discretely presented component unit of the State of Hawaii. The Center is reported as a special revenue fund of the Authority.

(2) Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist readers in interpreting the special-purpose financial statements. These policies are considered essential and should be read in conjunction with the special-purpose financial statements.

(a) Financial Statement Presentation and Basis of Accounting

The special-purpose financial statements have been prepared pursuant to the provisions of the contract agreement between the Authority and AEG Management HCC, LLC (AEG) (Note 3) and are intended to present the assets, liabilities, and net assets, changes in net assets, and cash flows of only that portion of the Authority that is attributable to the transactions of the Center based upon the accounting records maintained by AEG. The Center's operations are reported on an accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

These special-purpose financial statements differ from financial statements prepared in accordance with accounting principles generally accepted in the United States of America, in that the property, building, furniture, and equipment used in the Center's operations, and related depreciation expense, as well as debt used to finance such capital assets and the related interest expense, are not reflected on the accompanying special-purpose financial statements. Those assets, liabilities, and related expenses are reflected on the financial statements of the Authority.

(b) Operating Revenue and Expenses

The Center distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the principal ongoing operations, management, and maintenance of the Center. Operating revenue includes charges for services provided by or at the Center. Operating expenses include costs of services and administrative expenses. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

(c) Classification of Current and Noncurrent Assets and Liabilities

The Center considers assets that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the special-purpose statement of assets, liabilities, and net assets date to be current. Liabilities that reasonably can be expected, as part of normal Center business operations, to be liquidated within 12 months of the special-purpose statement of assets, liabilities, and net assets date are current. All other assets and liabilities are considered to be noncurrent.

(d) Cash and Cash Equivalents

For purposes of the special-purpose statements of cash flows, the Center considers currency on hand, savings, demand deposits, and certificates of deposits purchased with an original maturity of three months or less to be cash and cash equivalents.

(e) Due from/to the Hawaii Tourism Authority

Due from the Authority represents expenses to be reimbursed by the Authority. Due to the Authority represents revenues on completed events and contributions that are required to be remitted to the Authority.

(f) Revenue Recognition

Operating revenue includes charges for services, which are recognized when provided. The Center's accounts receivable are due from companies in various industries. Credit is extended based on an evaluation of the customer's financial condition and collateral is not required. Accounts receivable are due within 30 days and are stated at amounts due from customers. The allowance for doubtful accounts is the Center's estimate of the amount that may not be collectible. Management determines the allowance based on a review of each specific customer accounts receivable balance. Accounts outstanding longer than 90 days are considered past due and delinquency letters are sent. The Center writes off accounts receivable when it determines they are uncollectible.

(g) Discounts

Operating revenue is net of sales discounts amounting to $2,604,264 and $2,798,841 for the years ended December 31, 2016 and 2015, respectively.

(h) Advertising Expenses

The Center expenses costs of advertising as incurred.

(i) Use of Estimates

The preparation of the special-purpose financial statements, in accordance with the terms of the contract agreement, requires management of the Center to make estimates and assumptions that affect the amounts reported in the special-purpose financial statements and accompanying notes. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the valuation of accounts receivable.

(3) Contract Agreement

The Center is managed and operated by AEG, a private contractor, under a contract agreement dated August 8, 2013, as amended. AEG also assumes responsibility for the Center's sales and marketing efforts. The term of the agreement is from January 1, 2014 to December 31, 2018. For the year ended December 31, 2016, the management fee earned by AEG amounted to $249,596 plus an estimated additional bonus of $180,960 for exceeding certain performance measures. For the year ended December 31, 2015, the management fee amounted to $244,800 plus an additional bonus of $171,460 for exceeding certain performance measures. AEG is on a cost-reimbursement contract whereby they are reimbursed by the Authority for costs incurred in operating the Center.

(4) License and Food and Beverage Agreements

At December 31, 2016 and 2015, various clients have contracts with the Center to reserve space for future conventions and events to be held at the Center. These clients signed license agreements with the Center, which require rental payments in advance. At December 31, 2016 and 2015, the Center estimates $1,570,200 and $1,726,900, respectively, in future revenues, of which $545,662 and $401,110, respectively, was collected in advance and recorded as advance deposits on the special-purpose statements of assets, liabilities, and net assets.

(5) Sales and Marketing

In accordance with Act 253 of the 2002 Session Laws of Hawaii, the Center assumed responsibility for the advertisement and promotion of the Center effective January 1, 2003. In an effort to increase its sales and marketing efforts, the Center entered into an agreement with the Authority whereby the Authority agreed to provide additional funding to the Center. The term on the agreement is from January 1, 2014 through December 31, 2018. During the years ended December 31, 2016 and 2015, the Center received $13,073,003 and $13,800,919, respectively, from the Authority, of which $5,917,704 and $3,148,281, respectively, was required to be spent on sales and marketing. During the years ended December 31, 2016 and 2015, the Center's sales and marketing expenses were $4,019,985 and $3,061,813, respectively, and includes expenses from the Marketing Flexibility Fund, which is used to attract clients to use the Center for their events. These sales and marketing costs are included as operating expenses in the Center's special-purpose statements of revenue, expenses, and changes in net assets for the years ended December 31, 2016 and 2015. In accordance with the agreement between the Authority and the Center, the Center is not required to remit the unspent funds back to the Authority provided that the unspent funds be used for sales and marketing in subsequent years and approved by the Authority's board of directors.

(6) Capital Improvements

Disbursements for property, building, and equipment are recorded as a reduction of contributions from the Authority since such capital assets are not recorded on the Center's special-purpose statement of assets, liabilities, and net assets (Note 2). Disbursements for property, building, and equipment were $1,161,498 and $283,646 for the years ended December 31, 2016 and 2015, respectively.

In 2016, the Center received $8,500,000 from the Authority to be used for emergency capital improvements, repair or maintenance purchases, and various capital improvement projects. The Center did not receive funds from the Authority to be used for emergency capital improvements, repair or maintenance purchases, and various capital improvement projects in 2015. The Center is not required to remit unspent funds back to the Authority provided that the unspent funds be used for capital improvements. The Center had $10,055,117 and $11,631,873 in unspent funds at December 31, 2016 and 2015, respectively. As of December 31, 2016 and 2015, the Center had remaining commitments relating to the acquisition of capital assets of $8,528,111 and $312,737, respectively.

(7) Pension Plan

The Center has a defined-contribution pension plan for all employees meeting service, age, and employment status requirements. The Center matches 100% of an employee's contribution up to the first 3% of the employee's contribution. Contributions to the plan amounted to $88,666 and $84,902 during the years ended December 31, 2016 and 2015, respectively.

(8) Contingencies

The Center may be subject to legal proceedings, claims, and litigation arising in the ordinary course of business for which it may seek the advice of legal counsel. Management estimates that the cost to resolve such matters, if any, would not be material to the special-purpose financial statements. However, it is at least reasonably possible that such estimates may change within the near term.

(9) Financial Statement Presentation

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

(10) Subsequent Events

Management has evaluated subsequent events through the date of the independent auditor's report, which is the date the special-purpose financial statements were available to be issued and determined that, the Center did not have any subsequent events requiring adjustment to the special-purpose financial statements or disclosure in the notes to the special-purpose financial statements.

SUPPLEMENTARY INFORMATION

Schedule 1

HAWAII CONVENTION CENTER

SCHEDULE OF CHANGES IN NET ASSETS

For the Years Ended December 31, 2016 and 2015

	Contributions form Hawaii Tourism Authority	Accumulated deficit	Total
Balance at December 31, 2014	$125,647,125	$(113,863,247)	$11,783,878
Loss before capital improvement funded expenses, contributions and funds remitted	-	(3,303,493)	(3,303,493)
Major repairs and maintenance expenses	-	(444,720)	(444,720)
Contributions from Hawaii Tourism Authority	13,800,919	-	13,800,919
Remittance to Hawaii Tourism Authority for completed events revenue	(8,462,365)	-	(8,462,365)
Balance at December 31, 2015	130,985,679	(117,611,460)	13,374,219
Loss before capital improvement funded expenses, contributions and funds remitted	-	(3,211,614)	(3,211,614)
Major repairs and maintenance expenses	-	(91,014)	(91,014)
Contributions from Hawaii Tourism Authority	13,073,003	-	13,073,003
Remittance to Hawaii Tourism Authority for completed events revenue	(10,342,781)	-	(10,342,781)
Balance at December 31, 2016	$133,715,901	$(120,914,088)	$12,801,813

Schedule 2

HAWAII CONVENTION CENTER

SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

Year Ended December 31, 2016

	Convention Center Operations	Sales and Marketing	Total
Operating revenue, net			
Food and beverage	$11,504,000	$ -	$11,504,000
Rental income	2,199,384	-	2,199,384
Events	2,125,071	-	2,125,071
Other	219,232	-	219,232
Total operating revenue	16,047,687	-	16,047,687
Operating expenses			
Cost of goods sold			
Food and beverage	1,662,008	-	1,662,008
Other direct food and beverage costs	2,309,821	-	2,309,821
Total cost of goods sold	3,971,829	-	3,971,829
Other operating expenses			
Salaries and wages	4,000,162	1,032,531	5,032,693
Utilities	2,054,138	10,240	2,064,378
Contract labor	1,430,498	159,883	1,590,381
Marketing Flexibility Fund	-	1,474,532	1,474,532
Payroll taxes and benefits	1,011,610	202,842	1,214,452
Building operations	1,071,879	14	1,071,893
Repairs and maintenance	695,171	23,873	719,044
Promotion	32,515	466,226	498,741
Management fee	418,416	-	418,416
Advertising	-	285,269	285,269
Meetings and conventions	10,566	266,485	277,051
Insurance	172,947	-	172,947
Professional fees	52,722	12,277	64,999
Travel and entertainment	47,412	11,983	59,395
Furniture, fixtures, and equipment	53,888	1,967	55,855
Dues and subscriptions	9,870	23,789	33,659
Community relations	33,088	-	33,088
Printing and stationery	777	26,951	27,728
Office supplies	21,870	4,340	26,210
Employee training	18,851	6,403	25,254
General excise tax	20,939	4,260	25,199
Computer	15,959	2,208	18,167
Miscellaneous	102,469	3,912	106,381
Total other operating expenses	11,275,747	4,019,985	15,295,732
Total operating expenses	15,247,576	4,019,985	19,267,561
Operating income (loss)	800,111	(4,019,985)	(3,219,874)

(Continued)

HAWAII CONVENTION CENTER

SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS (Continued)

Year Ended December 31, 2016

Operating income (loss)	$ 800,111	$(4,019,985)	$ (3,219,874)
Nonoperating revenue			
Interest and dividend income	8,134	126	8,260
Total nonoperating revenue, net	8,134	126	8,260
Income (loss) before capital improvement funded expenses, contributions and remittance	808,245	(4,019,859)	(3,211,614)
Major repairs and maintenance expenses	(91,014)	-	(91,014)
Contributions from Hawaii Tourism Authority	7,155,299	5,917,704	13,073,003
Remittance to Hawaii Tourism Authority for completed events revenue	(10,342,781)	-	(10,342,781)
Change in net assets	$ (2,470,251)	$ 1,897,845	$ (572,406)

Schedule 2

HAWAII CONVENTION CENTER

SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

Year Ended December 31, 2015

	Convention Center Operations	Sales and Marketing	Total
Operating revenue, net			
Food and beverage	$ 9,676,745	$ -	$ 9,676,745
Rental income	2,234,242	-	2,234,242
Events	2,258,801	-	2,258,801
Other	67,103	-	67,103
Total operating revenue	14,236,891	-	14,236,891
Operating expenses			
Cost of goods sold			
Food and beverage	1,311,262	-	1,311,262
Other direct food and beverage costs	2,385,149	-	2,385,149
Total cost of goods sold	3,696,411	-	3,696,411
Other operating expenses			
Salaries and wages	3,837,286	1,481,424	5,318,710
Utilities	2,320,659	15,295	2,335,954
Contract labor	1,267,487	26,190	1,293,677
Payroll taxes and benefits	986,007	284,115	1,270,122
Building operations	785,059	544	785,603
Repairs and maintenance	658,847	32,880	691,727
Management fee	428,400	-	428,400
Promotion	37,998	437,946	475,944
Meetings and conventions	12,972	312,226	325,198
Marketing Flexibility Fund	-	204,022	204,022
Insurance	178,734	-	178,734
Advertising	-	173,028	173,028
Furniture, fixtures, and equipment	44,528	2,553	47,081
Professional fees	40,889	738	41,627
Dues and subscriptions	14,516	20,896	35,412
Travel and entertainment	19,204	13,704	32,908
Employee training	29,924	627	30,551
Printing and stationery	763	29,445	30,208
Office supplies	22,587	5,317	27,904
Computer	24,421	1,300	25,721
General excise tax	21,915	2,319	24,234
Miscellaneous	60,434	17,244	77,678
Total other operating expenses	10,792,630	3,061,813	13,854,443
Total operating expenses	14,489,041	3,061,813	17,550,854
Operating loss	(252,150)	(3,061,813)	(3,313,963)

(Continued)

Schedule 2

HAWAII CONVENTION CENTER

SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS (Continued)

Year Ended December 31, 2015

Operating loss	$ (252,150)	$(3,061,813)	$(3,313,963)
Nonoperating revenue			
Interest and dividend income	10,388	82	10,470
Total nonoperating revenue, net	10,388	82	10,470
Loss before capital improvement funded expenses, contributions and remittance	(241,762)	(3,061,731)	(3,303,493)
Major repairs and maintenance expenses	(444,720)	-	(444,720)
Contributions from Hawaii Tourism Authority	10,652,638	3,148,281	13,800,919
Remittance to Hawaii Tourism Authority for completed events revenue	(8,462,365)	-	(8,462,365)
Change in net assets	$ 1,503,791	$ 86,550	$ 1,590,341