



# Hawaii Convention Center

Special-Purpose Financial Statements  
and Supplementary Information

June 30, 2023 and 2022



**Hawaii Convention Center  
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## Report of Independent Auditors

The Auditor  
State of Hawaii

The Board of Directors  
Hawaii Tourism Authority

### Opinion

We have audited the special-purpose financial statements of Hawaii Convention Center (the “Center”), which comprise the special-purpose statements of assets, liabilities, and net assets as of June 30, 2023 and 2022, and the related special-purpose statements of revenue, expenses, and changes in net assets and cash flows for years then ended, and the related notes to 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 June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in accordance with the financial reporting provisions of the contract agreement between the Hawaii Tourism Authority (the “Authority”) and ASM Global (“ASM”) dated August 8, 2013.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors’ Responsibility for the Audits of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Center, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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 ASM, 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 above. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.


### Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the financial reporting provisions of the contract agreement between the Authority and ASM. 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.

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## **Auditors' Responsibility for the Audits of the Special-Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the special-purpose financial statements.

In performing audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special-purpose financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special-purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

## **Supplementary Information**

Our audits were 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 years ended June 30, 2023 and 2022 is presented for purposes of additional analysis and is not a required part of the special-purpose 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 audits 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.



**Restriction on Use**

This report is intended solely for the information and use of the Auditor, State of Hawaii, the Board of Directors, and management of the Authority, and ASM, and is not intended to be and should not be used by anyone other than these specified parties.

*Accuity LLP*

Honolulu, Hawaii  
March 4, 2024

**Hawaii Convention Center**  
**Special-Purpose Statements of Assets, Liabilities, and Net Assets**  
**June 30, 2023 and 2022**

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	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 5,210,104	\$ 4,375,377
Accounts receivable, net of allowance for doubtful accounts of \$9,224 and \$24,555 in 2023 and 2022, respectively	1,396,250	478,879
Due from the Authority	1,512,646	29,314,582
Prepaid expenses	79,224	116,340
Total current assets	<u>8,198,224</u>	<u>34,285,178</u>
Restricted cash	36,817,574	8,090,934
Total assets	<u>\$ 45,015,798</u>	<u>\$ 42,376,112</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 2,593,829	\$ 1,842,081
Due to the Authority	-	297,779
Accrued compensation	434,664	534,986
Advance deposits	2,225,566	1,950,057
Other liabilities	6,407	2,519
Total current liabilities	<u>5,260,466</u>	<u>4,627,422</u>
Net assets		
Without restrictions	459,644	339,137
With restrictions	<u>39,295,688</u>	<u>37,409,553</u>
Total net assets	<u>39,755,332</u>	<u>37,748,690</u>
Total liabilities and net assets	<u>\$ 45,015,798</u>	<u>\$ 42,376,112</u>

The accompanying notes are an integral part of these special-purpose financial statements.

**Hawaii Convention Center**  
**Special-Purpose Statements of Revenue, Expenses, and Changes in Net Assets**  
**Years Ended June 30, 2023 and 2022**

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	<b>2023</b>	<b>2022</b>
<b>Operating revenue without restrictions</b>		
Rental income	\$ 3,055,819	\$ 2,365,180
Events	3,353,570	2,413,950
Food and beverage	7,901,374	2,399,123
Other	73,487	72,016
Total operating revenue	<u>14,384,250</u>	<u>7,250,269</u>
<b>Operating expenses</b>		
Salaries and wages	4,851,695	4,070,253
Utilities	2,910,540	2,248,553
Contract labor	2,432,278	1,335,913
Other direct food and beverage costs	2,322,097	749,673
Payroll taxes and benefits	1,505,515	1,169,809
Food and beverage	1,220,490	434,665
Repairs and maintenance	1,035,670	766,286
Building operations	850,528	506,408
Management fee	456,800	335,400
Promotion	356,409	21,927
Software management agreement	278,931	187,104
Insurance	251,050	163,629
Travel and entertainment	116,063	724
Furniture, fixtures and equipment	87,927	41,477
Computer	81,644	61,250
Employee training	48,255	10,300
Advertising	38,391	40,799
Professional fees	35,795	15,174
Office supplies	22,551	6,959
Meetings and conventions	15,802	7,099
Community relations	14,408	12,880
Dues and subscriptions	12,539	10,469
Sales and use tax	12,022	7,076
Printing and stationery	4,607	18,535
Miscellaneous	182,984	73,218
Total operating expenses	<u>19,144,991</u>	<u>12,295,580</u>
Operating loss	<u>(4,760,741)</u>	<u>(5,045,311)</u>

The accompanying notes are an integral part of these special-purpose financial statements.

**Hawaii Convention Center**  
**Special-Purpose Statements of Revenue, Expenses, and Changes in Net Assets**  
**Years Ended June 30, 2023 and 2022**

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	<b>2023</b>	<b>2022</b>
Subtotal carried forward	<u>(4,760,741)</u>	<u>(5,045,311)</u>
<b>Nonoperating revenue without restrictions</b>		
Contributions from the Authority	<u>5,634,939</u>	<u>10,530,966</u>
Total nonoperating revenue without restrictions	5,634,939	10,530,966
<b>Nonoperating expenses</b>		
Remittance to the Authority for completed events revenue	(753,691)	(5,154,500)
Capital improvement funded expenses	<u>(1,146,555)</u>	<u>(4,051,882)</u>
Total nonoperating expenses	(1,900,246)	(9,206,382)
Net assets released from restrictions	<u>1,146,555</u>	<u>4,051,882</u>
Increase in net assets without restrictions	120,507	331,155
<b>Nonoperating revenue with restrictions</b>		
Contributions from the Authority	2,970,455	20,960,600
Interest and dividend income	<u>62,235</u>	<u>6,439</u>
Total nonoperating revenue with restrictions	3,032,690	20,967,039
Net assets released from restrictions	<u>(1,146,555)</u>	<u>(4,051,882)</u>
Increase in net assets with restrictions	<u>1,886,135</u>	<u>16,915,157</u>
Increase in net assets	2,006,642	17,246,312
<b>Net assets</b>		
Beginning of period	37,748,690	20,502,378
End of period	<u>\$ 39,755,332</u>	<u>\$ 37,748,690</u>

The accompanying notes are an integral part of these special-purpose financial statements.



**Hawaii Convention Center**  
**Special-Purpose Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

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	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 13,742,388	\$ 7,440,665
Cash payments to suppliers of goods and services	(11,995,029)	(6,155,463)
Cash payments to employees	<u>(6,457,532)</u>	<u>(5,269,821)</u>
Net cash used in operating activities	<u>(4,710,173)</u>	<u>(3,984,619)</u>
<b>Cash flows from investing activities</b>		
Payments for capital improvements	(1,146,555)	(4,051,882)
Interest and dividend income	<u>62,235</u>	<u>6,439</u>
Net cash used in investing activities	<u>(1,084,320)</u>	<u>(4,045,443)</u>
<b>Cash flows from financing activities</b>		
Contributions received from the Authority	36,407,330	6,539,364
Funds remitted to the Authority	<u>(1,051,470)</u>	<u>(5,154,500)</u>
Net cash provided by financing activities	<u>35,355,860</u>	<u>1,384,864</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	29,561,367	(6,645,198)
<b>Cash, cash equivalents, and restricted cash</b>		
Beginning of period	<u>12,466,311</u>	<u>19,111,509</u>
End of period	<u>\$ 42,027,678</u>	<u>\$ 12,466,311</u>
Cash and cash equivalents	\$ 5,210,104	\$ 4,375,377
Restricted cash	<u>36,817,574</u>	<u>8,090,934</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 42,027,678</u>	<u>\$ 12,466,311</u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>		
Operating loss	\$ (4,760,741)	\$ (5,045,311)
Bad debt recovery	-	(12,873)
Adjustments to reconcile operating loss to net cash used in operating activities		
Decrease (increase) in assets		
Accounts receivable	(917,371)	395,455
Prepaid expenses	37,116	(43,862)
Increase (decrease) in liabilities		
Accounts payable	751,748	942,707
Accrued compensation	(100,322)	(29,759)
Advance deposits	275,509	(192,186)
Other liabilities	<u>3,888</u>	<u>1,210</u>
Total adjustments	<u>50,568</u>	<u>1,073,565</u>
Net cash used in operating activities	<u>\$ (4,710,173)</u>	<u>\$ (3,984,619)</u>

The accompanying notes are an integral part of these special-purpose financial statements.

# Hawaii Convention Center

## Notes to Special-Purpose Financial Statements

### June 30, 2023 and 2022

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#### 1. Organization

The Hawaii Convention Center (the “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 (the “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

##### Basis of Presentation

The special-purpose financial statements have been prepared pursuant to the provisions of the contract agreement between the Authority and ASM Global (“ASM”), a private contractor, 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 ASM. The Center’s operations are reported on the accrual basis of accounting. Under this method, revenues are recorded when performance obligations are satisfied and expenses are recorded as 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, 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.

##### 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.

##### Classification of Current and Noncurrent Assets and Liabilities

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

##### Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit with banks with original maturities of three months or less and balances held in a money market fund.

##### Restricted Cash

Restricted cash represents funds transferred from the Authority to the Center for use in future capital improvement projects.

# Hawaii Convention Center

## Notes to Special-Purpose Financial Statements

### June 30, 2023 and 2022

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#### **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. Beginning in fiscal year 2023, reimbursements from the Authority and remittances to the Authority are settled on a net basis each month.

#### **Revenue Recognition**

The Center recognizes operating revenue from the use of the Hawaii Convention Center for such performance obligations as providing event space, food and beverage and other ancillary services to event licensees. Revenues are recognized when the following criteria are met:

- The contract with customer has been identified;
- The performance obligation in the contract has been identified;
- The transaction price has been determined;
- The transaction price has been allocated to the performance obligation; and
- The performance obligation has been satisfied.

The Center recognizes revenues from the rental of event space when the space is occupied and services are rendered. Food and beverage sales are recognized when customers have been served. Parking revenues are recognized upon collection.

Other ancillary services provided by third parties for which the Center receives a fee are recognized when services are rendered and are presented on a net basis.

Deposits for future event space, food and beverage and other ancillary services are recorded as advance deposits until the revenue recognition criteria are met. Cancellations for services are recognized upon cancellation by the customer. Customers are invoiced for the remaining balance when services are rendered. Payment for services rendered by the Center is typically due within 30 days after an invoice is sent to the customer. The Center estimates credit losses on accounts receivable based on specifically identified customers. The Center considers all available information relevant in assessing the collectability of accounts receivable. Receivables from contracts with customers amounted to approximately \$1,396,000, \$479,000, \$564,000 at June 30, 2023, 2022, and 2021, respectively.

The Center does not have any significant financing components.

Operating revenue is net of sales discounts amounting to approximately \$4,191,000 and \$5,768,000 for the years ended June 30, 2023 and 2022, respectively.

The Center does not estimate expected refunds for services; therefore, the Center does not exclude such amounts from revenues.

#### **Allowance for Doubtful Accounts**

The Center's accounts receivable is due from customers 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. Management determines the allowance based on a review of each specific customer's 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.

# Hawaii Convention Center

## Notes to Special-Purpose Financial Statements

### June 30, 2023 and 2022

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#### **Advertising Expenses**

Advertising costs are charged to expense as incurred. The total amounts charged to advertising expense totaled approximately \$38,000 and \$41,000 for the years ended June 30, 2023 and 2022, respectively.

#### **Use of Estimates**

The preparation of the special-purpose financial statements in conformity with the terms of the contract agreement requires management to make estimates and assumptions that affect the amounts reported in the special-purpose financial statements and accompanying notes. Actual results could differ materially from those estimates.

#### **Reclassifications**

Certain amounts in the 2022 special-purpose financial statements have been reclassified to conform to the 2023 presentation. Such reclassifications had no impact on the 2022 operating loss or change in net assets as previously reported.

### **3. Contract Agreement**

The Center is managed and operated by ASM under a contract agreement dated August 8, 2013, as amended. The term of the agreement is from January 1, 2014 to June 30, 2024 and provides ASM with management fees. ASM is responsible for the Center's sales and marketing efforts within the state of Hawaii and a third party is responsible for sales and marketing efforts outside of Hawaii. For the year ended June 30, 2023, the management fee and incentive fee earned by ASM amounted to approximately \$228,000 and \$228,000, respectively. For the year ended June 30, 2022, the management fee and incentive fee earned by ASM amounted to approximately \$224,000 and \$112,000, respectively.

### **4. License and Food and Beverage Agreements**

At June 30, 2023, 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 June 30, 2023 and 2022, the Center estimates approximately \$3,203,000 and \$2,829,000, respectively, in future revenues, of which approximately \$2,226,000 and \$1,950,000, respectively, were collected in advance and are included in advance deposits in the accompanying 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. The Center entered into an agreement with the Authority whereby the Authority agreed to provide funding for the sales and marketing of the Center. The term of the current agreement is from January 1, 2014 through June 30, 2024. During the years ended June 30, 2023 and 2022, the Center received approximately \$8,605,000 and \$31,492,000, respectively, from the Authority, of which approximately \$968,000 and \$533,000, respectively, was required to be spent on sales and marketing. During the years ended June 30, 2023 and 2022, the Center's sales and marketing expenses were approximately \$959,000 and \$523,000, respectively. These sales and marketing costs are included as operating expenses in the accompanying special-purpose statements of revenue, expenses, and changes in net assets. The Center is not required to remit unspent funds back to the Authority provided that the unspent funds are used for sales and marketing in subsequent years.

# Hawaii Convention Center

## Notes to Special-Purpose Financial Statements

### June 30, 2023 and 2022

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#### 6. Capital Improvements

Disbursements for property, building and equipment are recorded as a reduction of contributions from the Authority. Disbursements for property, building and equipment were approximately \$1,147,000 and \$4,052,000, respectively, for the years ended June 30, 2023 and 2022.

During the years ended June 30, 2023 and 2022, the Center received approximately \$2,970,000 and \$20,961,000, respectively, from the Authority to be used for emergency capital improvements, budgeted repair or maintenance purchases, and various capital improvement projects. The Center is not required to remit unspent funds back to the Authority provided that the unspent funds are used for capital improvements.

The Center had approximately \$39,376,000 and \$16,449,000 in unspent funds at June 30, 2023 and 2022, respectively. During the years ended June 30, 2023 and 2022, the Center used approximately \$2,558,000 and \$8,358,000, respectively, in restricted cash to cover operational expenses, which is in the process of being reimbursed by the Authority, resulting in approximately \$36,818,000 and \$8,091,000 in restricted cash at June 30, 2023 and 2022, 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 approximately \$85,000 and \$77,000 for the years ended June 30, 2023 and 2022, 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 reasonably possible that such estimates may change within the near term.

#### 9. Subsequent Events

The Center has reviewed all events that have occurred from July 1, 2023 through March 4, 2024, the date that the special-purpose financial statements were available for issuance, for proper accounting and disclosure in the special-purpose financial statements.

## **Supplementary Information**

**Hawaii Convention Center  
Schedule of Changes in Net Assets  
Years Ended June 30, 2023 and 2022**

**Schedule 1**

	<b>Contributions from the Authority</b>	<b>Accumulated Deficit</b>	<b>Total</b>
<b>Balance at July 1, 2021</b>	\$ 166,195,769	\$ (145,693,391)	\$ 20,502,378
Loss before capital improvement funded expenses, contributions and funds remitted	-	(5,038,872)	(5,038,872)
Capital improvement funded expenses	-	(4,051,882)	(4,051,882)
Contributions from the Authority	31,491,566	-	31,491,566
Remittance to the Authority for completed events revenue	(5,154,500)	-	(5,154,500)
<b>Balance at June 30, 2022</b>	<u>\$ 192,532,835</u>	<u>\$ (154,784,145)</u>	<u>\$ 37,748,690</u>
Loss before capital improvement funded expenses, contributions and funds remitted	-	(4,698,506)	(4,698,506)
Capital improvement funded expenses	-	(1,146,555)	(1,146,555)
Contributions from the Authority	8,605,394	-	8,605,394
Remittance to the Authority for completed events revenue	(753,691)	-	(753,691)
<b>Balance at June 30, 2023</b>	<u>\$ 200,384,538</u>	<u>\$ (160,629,206)</u>	<u>\$ 39,755,332</u>

**Hawaii Convention Center**  
**Schedule of Revenue, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2023**

**Schedule 2**

	<b>Convention Center Operations</b>	<b>Sales and Marketing</b>	<b>Total</b>
<b>Operating revenue without restrictions</b>			
Rental income	\$ 3,055,819	\$ -	\$ 3,055,819
Events	3,353,570	-	3,353,570
Food and beverage	7,901,374	-	7,901,374
Other	73,487	-	73,487
Total operating revenue	<u>14,384,250</u>	<u>-</u>	<u>14,384,250</u>
<b>Operating expenses</b>			
Salaries and wages	4,461,861	389,834	4,851,695
Utilities	2,905,494	5,046	2,910,540
Contract labor	2,432,278	-	2,432,278
Other direct food and beverage costs	2,322,097	-	2,322,097
Payroll taxes and benefits	1,412,063	93,452	1,505,515
Food and beverage	1,220,490	-	1,220,490
Repairs and maintenance	1,035,670	-	1,035,670
Building operations	850,528	-	850,528
Management fee	456,800	-	456,800
Promotion	40,401	316,008	356,409
Software management agreement	196,116	82,815	278,931
Insurance	251,050	-	251,050
Travel and entertainment	113,772	2,291	116,063
Furniture, fixtures and equipment	87,927	-	87,927
Computer	81,251	393	81,644
Employee training	47,028	1,227	48,255
Advertising	-	38,391	38,391
Professional fees	35,795	-	35,795
Office supplies	22,184	367	22,551
Meetings and conventions	10,044	5,758	15,802
Community relations	1,843	12,565	14,408
Dues and subscriptions	11,041	1,498	12,539
Sales and use tax	10,354	1,668	12,022
Printing and stationery	-	4,607	4,607
Miscellaneous	179,531	3,453	182,984
Total operating expenses	<u>18,185,618</u>	<u>959,373</u>	<u>19,144,991</u>
Operating loss	<u>(3,801,368)</u>	<u>(959,373)</u>	<u>(4,760,741)</u>



**Hawaii Convention Center**  
**Schedule of Revenue, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2023**

**Schedule 2**

	<b>Convention Center Operations</b>	<b>Sales and Marketing</b>	<b>Total</b>
Subtotal carried forward	<u>(3,801,368)</u>	<u>(959,373)</u>	<u>(4,760,741)</u>
<b>Nonoperating revenue without restrictions</b>			
Contributions from the Authority	<u>4,668,168</u>	<u>966,771</u>	<u>5,634,939</u>
Total nonoperating revenue without restrictions	4,668,168	966,771	5,634,939
<b>Nonoperating expenses</b>			
Remittance to the Authority for completed events revenue	(753,691)	-	(753,691)
Capital improvement funded expenses	<u>(1,146,555)</u>	<u>-</u>	<u>(1,146,555)</u>
Total nonoperating expenses	(1,900,246)	-	(1,900,246)
Net assets released from restrictions	<u>1,146,555</u>	<u>-</u>	<u>1,146,555</u>
Increase in net assets without restrictions	113,109	7,398	120,507
<b>Nonoperating revenue with restrictions</b>			
Contributions from the Authority	2,970,455	-	2,970,455
Interest and dividend income	<u>62,235</u>	<u>-</u>	<u>62,235</u>
Total nonoperating revenue with restrictions	3,032,690	-	3,032,690
Net assets released from restrictions	<u>(1,146,555)</u>	<u>-</u>	<u>(1,146,555)</u>
Increase in net assets with restrictions	<u>1,886,135</u>	<u>-</u>	<u>1,886,135</u>
Change in net assets	<u>\$ 1,999,244</u>	<u>\$ 7,398</u>	<u>\$ 2,006,642</u>

**Hawaii Convention Center**  
**Schedule of Revenue, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2022**

**Schedule 2**

	<b>Convention Center Operations</b>	<b>Sales and Marketing</b>	<b>Total</b>
<b>Operating revenue without restrictions</b>			
Food and beverage	\$ 2,365,180	\$ -	\$ 2,365,180
Rental income	2,413,950	-	2,413,950
Events	2,399,123	-	2,399,123
Other	72,016	-	72,016
Total operating revenue	<u>7,250,269</u>	<u>-</u>	<u>7,250,269</u>
<b>Operating expenses</b>			
Salaries and wages	3,789,564	280,689	4,070,253
Utilities	2,244,781	3,772	2,248,553
Contract labor	1,335,913	-	1,335,913
Payroll taxes and benefits	1,096,985	72,824	1,169,809
Repairs and maintenance	766,286	-	766,286
Other direct food and beverage costs	749,673	-	749,673
Building operations	506,408	-	506,408
Food and beverage	434,665	-	434,665
Management fee	335,400	-	335,400
Software management agreement	119,396	67,708	187,104
Insurance	163,629	-	163,629
Computer	60,808	442	61,250
Furniture, fixtures and equipment	39,909	1,568	41,477
Advertising	-	40,799	40,799
Promotion	9,863	12,064	21,927
Printing and stationery	-	18,535	18,535
Professional fees	14,311	863	15,174
Community relations	-	12,880	12,880
Dues and subscriptions	9,899	570	10,469
Employee training	10,300	-	10,300
Meetings and conventions	3,559	3,540	7,099
Sales and use tax	3,199	3,877	7,076
Office supplies	6,936	23	6,959
Travel and entertainment	655	69	724
Miscellaneous	70,852	2,366	73,218
Total operating expenses	<u>11,772,991</u>	<u>522,589</u>	<u>12,295,580</u>
Operating loss	<u>(4,522,722)</u>	<u>(522,589)</u>	<u>(5,045,311)</u>

**Hawaii Convention Center**  
**Schedule of Revenue, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2022**

**Schedule 2**

	<b>Convention Center Operations</b>	<b>Sales and Marketing</b>	<b>Total</b>
Subtotal carried forward	<u>(4,522,722)</u>	<u>(522,589)</u>	<u>(5,045,311)</u>
<b>Nonoperating revenue without restrictions</b>			
Contributions from the Authority	<u>9,997,966</u>	<u>533,000</u>	<u>10,530,966</u>
Total nonoperating revenue without restrictions	9,997,966	533,000	10,530,966
<b>Nonoperating expenses</b>			
Remittance to the Authority for completed events revenue	(5,154,500)	-	(5,154,500)
Capital improvement funded expenses	<u>(4,051,882)</u>	-	<u>(4,051,882)</u>
Total nonoperating expenses	(9,206,382)	-	(9,206,382)
Net assets released from restrictions	<u>4,051,882</u>	-	<u>4,051,882</u>
Increase in net assets without restrictions	320,744	10,411	331,155
<b>Nonoperating revenue with restrictions</b>			
Contributions from the Authority	20,960,600	-	20,960,600
Interest and dividend income	<u>6,439</u>	-	<u>6,439</u>
Total nonoperating revenue with restrictions	20,967,039	-	20,967,039
Net assets released from restrictions	<u>(4,051,882)</u>	-	<u>(4,051,882)</u>
Increase in net assets with restrictions	16,915,157	-	16,915,157
Change in net assets	<u>\$ 17,235,901</u>	<u>\$ 10,411</u>	<u>\$ 17,246,312</u>