



# Hawaii Convention Center

Special-Purpose Financial Statements  
and Supplementary Information

June 30, 2024 and 2023



**Hawaii Convention Center  
Index  
June 30, 2024 and 2023**

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**Page(s)**

**Report of Independent Auditors**

**Special-Purpose Financial Statements**

Statements of Assets, Liabilities, and Net Assets ..... 4

Statements of Revenue, Expenses, and Changes in Net Assets ..... 5–6

Statements of Cash Flows..... 7

Notes to Financial Statements..... 8–12

**Supplementary Information**

Schedule 1 – Schedules of Changes in Net Assets ..... 13

Schedule 2 – Schedules of Revenue, Expenses, and Changes in Net Assets ..... 14–17



## 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, 2024 and 2023, 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, 2024 and 2023, 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.

999 Bishop Street  
Suite 2300  
Honolulu, HI 96813

OFFICE 808.531.3400  
FAX 808.531.3433  
accuityllp.com





### **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, 2024 and 2023 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 14, 2025

**Hawaii Convention Center**  
**Special-Purpose Statements of Assets, Liabilities, and Net Assets**  
**June 30, 2024 and 2023**

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	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 7,110,573	\$ 5,210,104
Accounts receivable, net of allowance for credit losses of \$86,639 and \$9,224 in 2024 and 2023, respectively	3,867,727	1,396,250
Due from the Authority	6,139,681	1,512,646
Prepaid expenses	151,126	79,224
Total current assets	<u>17,269,107</u>	<u>8,198,224</u>
Restricted cash	31,627,453	36,817,574
Total assets	<u>\$ 48,896,560</u>	<u>\$ 45,015,798</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 8,437,280	\$ 2,593,829
Accrued compensation	482,509	434,664
Advance deposits	833,111	2,225,566
Other liabilities	18,962	6,407
Total current liabilities	<u>9,771,862</u>	<u>5,260,466</u>
Net assets		
Without restrictions	7,097,345	459,644
With restrictions	32,027,353	39,295,688
Total net assets	<u>39,124,698</u>	<u>39,755,332</u>
Total liabilities and net assets	<u>\$ 48,896,560</u>	<u>\$ 45,015,798</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, 2024 and 2023**

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	<b>2024</b>	<b>2023</b>
<b>Operating revenue without restrictions</b>		
Rental income	\$ 4,682,908	\$ 3,055,819
Events	4,739,991	3,353,570
Food and beverage	17,855,872	7,901,374
Other	85,741	73,487
Total operating revenue	<u>27,364,512</u>	<u>14,384,250</u>
<b>Operating expenses</b>		
Salaries and wages	6,815,717	4,851,695
Other direct food and beverage costs	4,409,975	2,322,097
Utilities	3,100,994	2,910,540
Contract labor	3,078,608	2,432,278
Food and beverage	2,415,139	1,220,490
Payroll taxes and benefits	1,966,923	1,505,515
Building operations	1,278,148	850,528
Repairs and maintenance	865,696	1,035,670
Management fee	466,400	456,800
Insurance	381,414	251,050
Software management agreement	327,041	278,931
Promotion	175,433	356,409
Banking and credit card fees	158,202	92,599
Furniture, fixtures and equipment	116,696	87,927
Employee training	93,248	48,255
Computer	55,351	81,644
Payroll fees	44,472	40,371
Advertising	42,657	38,391
Professional fees	38,367	35,795
Travel and entertainment	38,149	116,063
Sales and use tax	34,766	12,022
Community relations	33,184	14,408
Office supplies	27,070	22,551
Meetings and conventions	20,204	15,802
Printing and stationery	16,611	4,607
Dues and subscriptions	13,587	12,539
Miscellaneous	207,820	50,014
Total operating expenses	<u>26,221,872</u>	<u>19,144,991</u>
Operating income (loss)	<u>1,142,640</u>	<u>(4,760,741)</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, 2024 and 2023**

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	<b>2024</b>	<b>2023</b>
Subtotal carried forward	<u>1,142,640</u>	<u>(4,760,741)</u>
<b>Nonoperating revenue without restrictions</b>		
Contributions from the Authority	<u>10,148,557</u>	<u>5,634,939</u>
Total nonoperating revenue without restrictions	10,148,557	5,634,939
<b>Nonoperating expenses</b>		
Remittance to the Authority for completed events revenue	(4,653,496)	(753,691)
Capital improvement funded expenses	<u>(15,674,497)</u>	<u>(1,146,555)</u>
Total nonoperating expenses	(20,327,993)	(1,900,246)
Net assets released from restrictions	<u>15,674,497</u>	<u>1,146,555</u>
Increase in net assets without restrictions	6,637,701	120,507
<b>Nonoperating revenue with restrictions</b>		
Contributions from the Authority	6,875,717	2,970,455
Interest and dividend income	<u>1,530,445</u>	<u>62,235</u>
Total nonoperating revenue with restrictions	8,406,162	3,032,690
Net assets released from restrictions	<u>(15,674,497)</u>	<u>(1,146,555)</u>
Increase (decrease) in net assets with restrictions	<u>(7,268,335)</u>	<u>1,886,135</u>
Increase (decrease) in net assets	(630,634)	2,006,642
<b>Net assets</b>		
Beginning of period	39,755,332	37,748,690
End of period	<u>\$ 39,124,698</u>	<u>\$ 39,755,332</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, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 23,500,580	\$ 13,742,388
Cash payments to suppliers of goods and services	(13,423,269)	(11,995,029)
Cash payments to employees	(8,734,795)	(6,457,532)
Net cash provided by (used in) operating activities	<u>1,342,516</u>	<u>(4,710,173)</u>
<b>Cash flows from investing activities</b>		
Payments for capital improvements	(13,906,356)	(1,146,555)
Interest and dividend income	1,530,445	62,235
Net cash used in investing activities	<u>(12,375,911)</u>	<u>(1,084,320)</u>
<b>Cash flows from financing activities</b>		
Contributions received from the Authority	12,397,239	36,407,330
Funds remitted to the Authority	(4,653,496)	(1,051,470)
Net cash provided by financing activities	<u>7,743,743</u>	<u>35,355,860</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(3,289,652)	29,561,367
<b>Cash, cash equivalents, and restricted cash</b>		
Beginning of period	<u>42,027,678</u>	<u>12,466,311</u>
End of period	<u>\$ 38,738,026</u>	<u>\$ 42,027,678</u>
Cash and cash equivalents	\$ 7,110,573	\$ 5,210,104
Restricted cash	31,627,453	36,817,574
Total cash, cash equivalents, and restricted cash	<u>\$ 38,738,026</u>	<u>\$ 42,027,678</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>		
Operating income (loss)	\$ 1,142,640	\$ (4,760,741)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Decrease (increase) in operating assets		
Accounts receivable	(2,471,477)	(917,371)
Prepaid expenses	(71,902)	37,116
Increase (decrease) in operating liabilities		
Accounts payable	4,075,310	751,748
Accrued compensation	47,845	(100,322)
Advance deposits	(1,392,455)	275,509
Other liabilities	12,555	3,888
Total adjustments	<u>199,876</u>	<u>50,568</u>
Net cash provided by (used in) operating activities	<u>\$ 1,342,516</u>	<u>\$ (4,710,173)</u>
<b>Supplemental noncash investing activities</b>		
Capital improvement expenses in accounts payable	\$ 1,768,141	\$ -

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

# Hawaii Convention Center

## Notes to Special-Purpose Financial Statements

### June 30, 2024 and 2023

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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.

##### Recent Accounting Pronouncement

In fiscal year 2024, the Center adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, and related amendments (collectively the “ASU”). The ASU applies to a broad range of financial instruments, including financial assets measured at amortized cost (which includes financing receivables, held-to-maturity debt securities, and trade receivables), net investments in leases, and certain off balance sheet exposures. The ASU requires financial assets measured at amortized cost to be presented at the net amount expected to be collected or liabilities be recognized for expected off balance sheet credit losses. The measurement of expected credit losses is based on relevant information about past events, including historical experiences, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts or the expected off balance sheet credit losses. Judgment must be used in determining the relevant information and estimation methods that are appropriate in the circumstances. The adoption of the ASU did not have a significant effect on the Center’s financial statements.

##### 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.

# Hawaii Convention Center

## Notes to Special-Purpose Financial Statements

### June 30, 2024 and 2023

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#### **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.

#### **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.

#### **Receivables and Allowance for Credit Losses**

The Center's accounts receivable is due from customers in various industries and is recorded at the invoiced amount less discounts and do not bear interest. 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 Center evaluates the collectability of receivables and the need for an allowance for credit losses based on an analysis of historical loss experience and management's assessment of current conditions and reasonable and supportable expectations of future conditions, as well as an assessment of specific identifiable accounts considered at risk or uncollectible. The Center writes off accounts receivable when it determines they are uncollectible. Based on management's review, the Center determined the allowance for credit losses approximated \$87,000 and \$9,000 for the years ended June 30, 2024 and 2023, respectively. Receivables from contracts with customers amounted to approximately \$3,868,000, \$1,396,000 and \$479,000 at June 30, 2024, 2023 and 2022, respectively.

#### **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.

# Hawaii Convention Center

## Notes to Special-Purpose Financial Statements

### June 30, 2024 and 2023

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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 does not have any significant financing components.

Operating revenue is net of sales discounts amounting to approximately \$8,632,000 and \$4,191,000 for the years ended June 30, 2024 and 2023, respectively.

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

#### **Advertising Expenses**

Advertising costs are charged to expense as incurred. The amounts charged to advertising expense totaled approximately \$43,000 and \$38,000 for the years ended June 30, 2024 and 2023, 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 2023 special-purpose financial statements have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on the operating income (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. In September 2024, ASM received notice of their award of a new management contract from the Authority. The new agreement was finalized in December 2024 and terminates on December 31, 2034. 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, 2024, the management fee and incentive fee earned by ASM each individually amounted to approximately \$233,000. For the year ended June 30, 2023, the management fee and incentive fee earned by ASM each individually amounted to approximately \$228,000.

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

At June 30, 2024, 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, 2024 and 2023, the Center estimates approximately \$2,212,000 and \$3,203,000, respectively, in future revenues, of which approximately \$833,000 and \$2,226,000,

# Hawaii Convention Center

## Notes to Special-Purpose Financial Statements

### June 30, 2024 and 2023

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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 was from January 1, 2014 through June 30, 2024. In September 2024, ASM received notice of their award of a new management contract from the Authority. The new agreement was finalized in December 2024 and terminates on December 31, 2034. During the years ended June 30, 2024 and 2023, the Center received approximately \$17,024,000 and \$8,605,000, respectively, from the Authority, of which approximately \$1,220,000 and \$968,000, respectively, was required to be spent on sales and marketing. During the years ended June 30, 2024 and 2023, the Center's sales and marketing expenses were approximately \$1,032,000 and \$959,000, 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.

#### 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 \$13,906,000 and \$1,147,000, respectively, for the years ended June 30, 2024 and 2023. For the year ended June 30, 2024, the Center also recorded approximately \$1,768,000 in capital improvement expenses for property, building and equipment which are included in accounts payable in the accompanying special-purpose statements of assets, liabilities, and net assets.

During the years ended June 30, 2024 and 2023, the Center received approximately \$6,876,000 and \$2,970,000, 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 \$32,027,000 and \$39,376,000 in unspent funds at June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, the Center used approximately \$2,200,000 and \$2,558,000, respectively, in restricted cash to cover operational expenses, which is in the process of being reimbursed by the Authority, resulting in approximately \$31,627,000 and \$36,818,000 in restricted cash at June 30, 2024 and 2023, 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 \$112,000 and \$85,000 for the years ended June 30, 2024 and 2023, respectively.

**Hawaii Convention Center**  
**Notes to Special-Purpose Financial Statements**  
**June 30, 2024 and 2023**

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**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, 2024 through March 14, 2025, 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, 2024 and 2023**

**Schedule 1**

	<b>Contributions from the Authority</b>	<b>Accumulated Deficit</b>	<b>Total</b>
<b>Balance at July 1, 2022</b>	\$ 192,532,835	\$ (154,784,145)	\$ 37,748,690
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>
Income before capital improvement funded expenses, contributions and funds remitted	-	2,673,085	2,673,085
Capital improvement funded expenses	-	(15,674,497)	(15,674,497)
Contributions from the Authority	17,024,274	-	17,024,274
Remittance to the Authority for completed events revenue	(4,653,496)	-	(4,653,496)
<b>Balance at June 30, 2024</b>	<u>\$ 212,755,316</u>	<u>\$ (173,630,618)</u>	<u>\$ 39,124,698</u>



**Hawaii Convention Center**  
**Schedule of Revenue, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2024**

**Schedule 2**

	<b>Convention Center Operations</b>	<b>Sales and Marketing</b>	<b>Total</b>
<b>Operating revenue without restrictions</b>			
Rental income	\$ 4,682,908	\$ -	\$ 4,682,908
Events	4,739,991	-	4,739,991
Food and beverage	17,855,872	-	17,855,872
Other	85,741	-	85,741
Total operating revenue	<u>27,364,512</u>	<u>-</u>	<u>27,364,512</u>
<b>Operating expenses</b>			
Salaries and wages	6,298,518	517,199	6,815,717
Other direct food and beverage costs	4,409,975	-	4,409,975
Utilities	3,094,819	6,175	3,100,994
Contract labor	3,078,608	-	3,078,608
Food and beverage	2,415,139	-	2,415,139
Payroll taxes and benefits	1,828,931	137,992	1,966,923
Building operations	1,278,148	-	1,278,148
Repairs and maintenance	865,696	-	865,696
Management fee	466,400	-	466,400
Insurance	381,414	-	381,414
Software management agreement	238,699	88,342	327,041
Promotion	59	175,374	175,433
Banking and credit card fees	158,202	-	158,202
Furniture, fixtures and equipment	116,018	678	116,696
Employee training	84,472	8,776	93,248
Computer	54,985	366	55,351
Payroll fees	43,901	571	44,472
Advertising	-	42,657	42,657
Professional fees	33,668	4,699	38,367
Travel and entertainment	34,776	3,373	38,149
Sales and use tax	30,236	4,530	34,766
Community relations	14,336	18,848	33,184
Office supplies	26,940	130	27,070
Meetings and conventions	14,946	5,258	20,204
Printing and stationery	3,030	13,581	16,611
Dues and subscriptions	9,966	3,621	13,587
Miscellaneous	207,597	223	207,820
Total operating expenses	<u>25,189,479</u>	<u>1,032,393</u>	<u>26,221,872</u>
Operating income (loss)	<u>2,175,033</u>	<u>(1,032,393)</u>	<u>1,142,640</u>

**Hawaii Convention Center**  
**Schedule of Revenue, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2024**

**Schedule 2**

	<b>Convention Center Operations</b>	<b>Sales and Marketing</b>	<b>Total</b>
Subtotal carried forward	2,175,033	(1,032,393)	1,142,640
<b>Nonoperating revenue without restrictions</b>			
Contributions from the Authority	8,929,046	1,219,511	10,148,557
Total nonoperating revenue without restrictions	8,929,046	1,219,511	10,148,557
<b>Nonoperating expenses</b>			
Remittance to the Authority for completed events revenue	(4,653,496)	-	(4,653,496)
Capital improvement funded expenses	(15,674,497)	-	(15,674,497)
Total nonoperating expenses	(20,327,993)	-	(20,327,993)
Net assets released from restrictions	15,674,497	-	15,674,497
Increase in net assets without restrictions	6,450,583	187,118	6,637,701
<b>Nonoperating revenue with restrictions</b>			
Contributions from the Authority	6,875,717	-	6,875,717
Interest and dividend income	1,530,445	-	1,530,445
Total nonoperating revenue with restrictions	8,406,162	-	8,406,162
Net assets released from restrictions	(15,674,497)	-	(15,674,497)
Decrease in net assets with restrictions	(7,268,335)	-	(7,268,335)
Increase (decrease) in net assets	\$ (817,752)	\$ 187,118	\$ (630,634)

**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	14,384,250	-	14,384,250
<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
Banking and credit card fees	92,599	-	92,599
Furniture, fixtures and equipment	87,927	-	87,927
Computer	81,251	393	81,644
Employee training	47,028	1,227	48,255
Payroll fees	38,413	1,958	40,371
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	48,519	1,495	50,014
Total operating expenses	18,185,618	959,373	19,144,991
Operating loss	(3,801,368)	(959,373)	(4,760,741)

**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	(3,801,368)	(959,373)	(4,760,741)
<b>Nonoperating revenue without restrictions</b>			
Contributions from the Authority	4,668,168	966,771	5,634,939
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	(1,146,555)	-	(1,146,555)
Total nonoperating expenses	(1,900,246)	-	(1,900,246)
Net assets released from restrictions	1,146,555	-	1,146,555
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	62,235	-	62,235
Total nonoperating revenue with restrictions	3,032,690	-	3,032,690
Net assets released from restrictions	(1,146,555)	-	(1,146,555)
Increase in net assets with restrictions	1,886,135	-	1,886,135
Increase in net assets	\$ 1,999,244	\$ 7,398	\$ 2,006,642