

January 16, 2024

**VIA EMAIL**

The Honorable Ronald D. Kouchi  
Senate President  
415 South Beretania Street  
Hawaii State Capitol, Room 409  
Honolulu, Hawaii 96813

**VIA EMAIL**

The Honorable Scott K. Saiki  
Speaker, House of Representatives  
415 South Beretania Street  
Hawaii State Capitol, Room 431  
Honolulu, Hawaii 96813

**RE: Special-Purpose Financial Audit of the Hawaii Convention Center**

Dear President Kouchi and Speaker Saiki:

The audit report on the financial statements of the Hawaii Convention Center for the fiscal year ended June 30, 2022, was issued on August 7, 2023. The Office of the Auditor retained Accuity LLP to perform the special-purpose financial audit. For your information, we are attaching a copy of the two-page Auditor's Summary of the financial audit report.

You may view the financial audit report and Auditor's Summary on our website at:

[https://files.hawaii.gov/auditor/Reports/2022\\_Audit/ConventionCenter2022.pdf](https://files.hawaii.gov/auditor/Reports/2022_Audit/ConventionCenter2022.pdf); and

[https://files.hawaii.gov/auditor/Reports/2022\\_Audit/HCC\\_Summary\\_2022.pdf](https://files.hawaii.gov/auditor/Reports/2022_Audit/HCC_Summary_2022.pdf).

If you have any questions about the report, please contact me.

Very truly yours,

Leslie H. Kondo  
State Auditor

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Attachment

ec/attach (Auditor's Summary only): Members of the Senate

Members of the House of Representatives  
Carol Taniguchi, Senate Chief Clerk  
Brian Takeshita, House Chief Clerk

# Auditor's Summary

## Special-Purpose Financial Audit of the Hawai'i Convention Center

Financial Statements, Fiscal Year Ended June 30, 2022



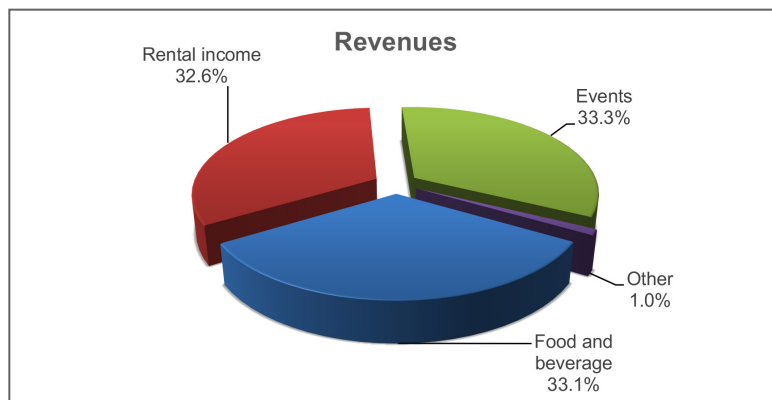
**THE PRIMARY PURPOSE** of the special-purpose audit was to form an opinion on the fairness of the presentation of the financial statements for the Hawai'i Convention Center, as of and for the fiscal year ended June 30, 2022. The special-purpose financial statements have been prepared pursuant to the provisions of the management agreement between the Hawai'i Tourism Authority and ASM Global (ASM), a private company contracted to operate the Hawai'i Convention Center. The audit was conducted by Accuity LLP.

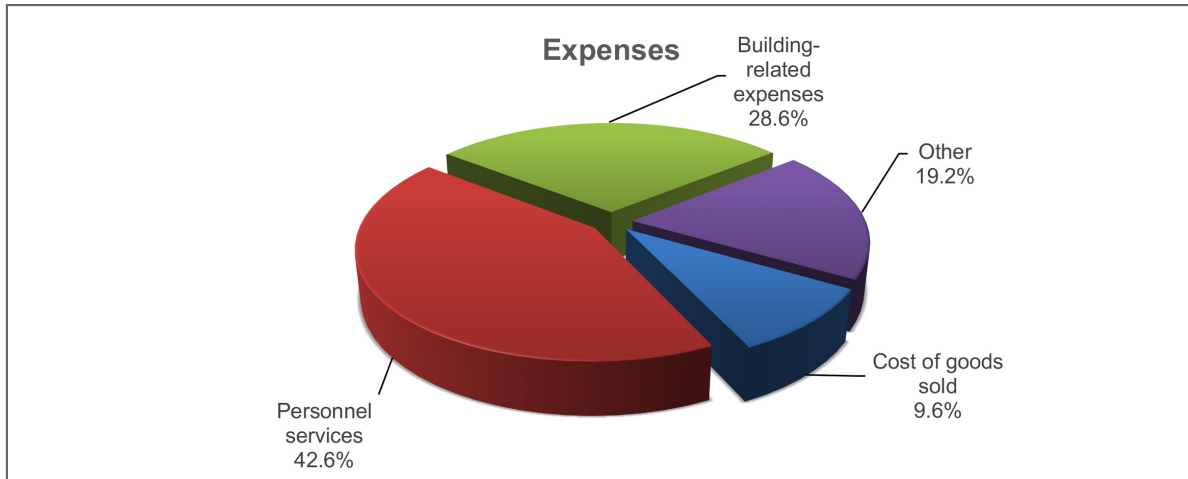
### About the Center

**THE HAWAI'I 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. The Hawai'i Tourism Authority assumed responsibility for the operation, management, and maintenance of the Center in July 2000. The Center is reported as a special revenue fund of the Hawai'i Tourism Authority.

### Financial Highlights

**FOR THE FISCAL YEAR ENDED** June 30, 2022, the Center reported total revenues of \$7.3 million, total expenses of \$12.3 million, and \$22.3 million in net contributions from the Hawai'i Tourism Authority, which resulted in an increase in net assets of \$17.25 million. Revenues consisted of (1) \$2.4 million from food and beverage; (2) \$2.4 million from rental income; (3) \$2.4 million from events; and (4) \$100,000 from other revenues.





Expenses consisted of (1) \$5.2 million for personnel services; (2) \$3.5 million for building-related expenses; (3) \$1.2 million for cost of goods sold; and (4) \$2.4 million for other costs.

As of June 30, 2022, the Center’s total assets of \$42.3 million were comprised of (1) cash of \$12.5 million; (2) amounts due from Hawai‘i Tourism Authority of \$29.3 million; (3) accounts receivable of \$400,000; and (4) other assets of \$100,000. Total liabilities of \$4.6 million were comprised of (1) accounts payable of \$1.8 million; (2) amounts due to Hawai‘i Tourism Authority of \$300,000; (3) advance deposits of \$2 million; and (4) other liabilities of \$500,000.

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 in the Center’s special-purpose financial statements. Those assets, liabilities, and related expenses are reflected on the financial statements of the Hawai‘i Tourism Authority.

## Auditors’ Opinion

**THE CENTER RECEIVED AN UNMODIFIED OPINION** that its financial statements were presented fairly, in all material respects, in accordance with the management agreement between the Hawai‘i Tourism Authority and ASM, which is a basis of accounting other than accounting principles generally accepted in the United States of America.



For the complete report and financial statements, visit our website at:  
[https://files.hawaii.gov/auditor/Reports/2022\\_Audit/HCC2022.pdf](https://files.hawaii.gov/auditor/Reports/2022_Audit/HCC2022.pdf)