



KA HĀLĀWAI KŪMAU A KE KŌMIKE MO'OHELU KĀLĀ, 'OIHANA KĀLĀ,
A ME KE KIKOWAENA HĀLĀWAI O HAWAI'I
KE'ENA KULEANA HO'OKIPA O HAWAI'I

**BUDGET, FINANCE, AND CONVENTION CENTER
STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY**

HĀLĀWAI KELEKA'A'IKE
VIRTUAL MEETING

Pō'ahā, 12 Kepakemapa 2024, 10:45 a.m.
Thursday, September 12, 2024, 10:45 a.m.

E ho'olele 'iwa'ia ka hālāwai ma o ka Zoom. Meeting will be live streaming via Zoom.

E noi 'ia paha 'oe e kāinoa me kou inoa a leka uila paha. E 'olu'olu, e ho'okomo i kou inoa piha akā hiki nō iā 'oe ke ho'ohana i ka inoa kapakapa e like me kou makemake.

You may be asked to enter your name or email. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous.

<https://us06web.zoom.us/j/81754072658>

Kelepona / Call In: 1 386 347 5053
Helu Hālāwai / Webinar ID: 81754072658

Hiki i ka lehulehu ke hō'ike mana'o ma o ka palapala a i 'ole ma o ka waha. E kau palena 'ia ka hō'ike mana'o waha (ma ke kino a i 'ole ma o ka Zoom) he 'elima minuke ka lō'ihī no kēlā me kēia kumuhana. E kāinoa no ka hō'ike mana'o waha ma ke pākaukau ho'okipa ma ka lumi hālāwai. E kāinoa no ka hō'ike mana'o waha ma o ka Zoom ma o ke pihi "Q&A."

Members of the public may provide written or oral testimony on agenda items. Oral testimony (in-person or via Zoom) will be limited to five minutes for each testifier per agenda item. Signup for oral testimony via Zoom will be accepted through the Q&A feature on Zoom.

E ho'ohui 'ia nā palapala hō'ike mana'o i hiki ma ka pū'olo hālāwai. E leka uila 'ia nā palapala iā Carole Hagihara-Loo ma carole@gohta.net, a i 'ole, e lawe kino 'ia i ke ke'ena. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai ('elua lā ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ke kōmike a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai.

Written testimony received ahead of the preparation of the committee packet will be included in the packet. Email written testimony to Carole Hagihara-Loo at Carole@gohta.net or hand-deliver or send via postal mail to the Hawaii'i Tourism Authority office, 1801 Kalākaua Avenue, 1st Floor, Honolulu, HI 96815. Written testimony received after the issuance of the committee packet (two business days prior to the meeting) will be distributed to the committee.

Papa Kumumana'o I Ho'ololi 'Ia
AMENDED AGENDA

1. *Wehena a Ho'omaka*
Opening Protocol and Call to Order
2. *Kikolā*
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic
3. *Noi, Hō'ike'ike, Kūkā a Ki'ina Hana no ko HTA mau Mo'olelo Kālā no Iulai a me 'Aukake 2024*
Motion, Presentation, Discussion, and Action on the Hawai'i Tourism Authority July and August 2024 Financial Reports; Recommend Approval
4. *Hō'ike'ike no ka Hālāwai Kūmau o ke Kōmike Alowelo ma ka Lā 9 o Kepakemapa 2024 i Pili i ke Kāmua Noi Mo'ohelu Kālā 2026 a me 2027*
Report on the Branding Standing Committee Meeting Held on September 9, 2024, Relating to the Proposed Final Draft of the Fiscal Year 2026 and 2027 Hawaii Tourism Authority Operating Budget for Branding and Marketing (BED114)
5. *Hō'ike'ike no ka Hālāwai Kūmau o ke Kōmike Ho'okahua Hawai'i ma ka Lā 12 o Kepakemapa 2024*
Report on the Ho'okahua Hawai'i Standing Committee Meeting Held on September 12, 2024
 - a. *Kūkā a Ki'ina Hana no ka Mo'ohelu Kālā 2025 no ka ho'oholomua 'ana o nā DMAP*
Discussion and Action on Fiscal Year 2025 Budget BED 116 – Destination Management – DMAP (Destination Management Action Plans) Implementation Use
 - b. *Kūkā a Ki'ina Hana no ke Kāmua Hope Loa Noi Mo'ohelu Kālā 2026 a me 2027 no Destination Stewardship*
Discussion and Action on the Proposed Final Draft of the Fiscal Year 2026 and 2027 Hawaii Tourism Authority Operating Budget for Destination Stewardship (BED115, BED116, BED117)

6. *Noi, Hō'ike'ike, Kūkā a Ki'ina Hana no ke Noi Mo'ohelu Kālā i ka 'Aha'ōlelo no ka Makahiki Kālā 2026 a me 2027*

Motion, Presentation, Discussion, and Action relating to HTA's Fiscal Year 2026 and 2027 Legislative Budget, Process, Issues, and Request

7. *Ho'oku'u*

Adjournment

*** *'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai i ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.*

*** **Executive Meeting:** The Board may conduct an executive meeting closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

Inā he lawelawe a mea like paha e pono ai ke kīnānā, e ho'oka'a'ike aku me Carole Hagihara-Loo ma (808)-973-2289 a ma ka leka uila e like me ka wikiwiki i hiki, 'a'ole ho'i a ma 'ō aku o ka 'elua lā ma mua o ka hālāwai. Inā 'ike 'ia he noi i ka lā ma mua o ka hālāwai, e ho'ā'o mākou e 'imi i ka lawelawe a mea like paha, 'a'ole na'e ho'i e hiki ke ho'ohiki 'ia ke kō o ua noi lā. Ua noa pū kēia ho'olaha ma nā kino 'oko'a e like me ka mea pono.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Carole Hagihara-Loo at (808) 973-2289 or carole@gohta.net as soon as possible, preferably no later than 3 days prior to the meeting. **Requests made as early as possible have a greater likelihood of being fulfilled.** Upon request, this notice is available in alternative/accessibile formats.

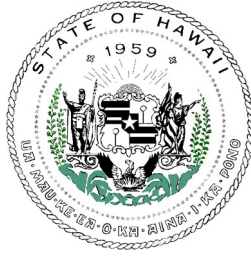
E like nō me ka 'ōlelo o ke Kānāwai Hawai'i i ho'oholo 'ia māhele 92-32.7, e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi e hiki ai ka po'e o ka lehulehu ke noho a komo pū ma nā hālāwai ma o ka ho'ohana 'ana i ka 'enehana pāpaho (ICT). Aia ana kēia 'enehana pāpaho ma ka papahēle mua o ka lumi ho'okipa i mua o ke Ke'ena Kuleana Ho'okipa o Hawai'i ma ke Kikowaena Hālāwai O Hawai'i. 'O 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815 ka helu wahi.

In accordance with HRS section 92-3.7, the Hawai'i Tourism Authority will establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT). The ICT audiovisual connection will be located on the 1st Floor in the Lobby area fronting the Hawai'i Tourism Authority at the Hawai'i Convention Center at 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815.

3

Motion, Presentation, Discussion, and Action on the Hawai'i Tourism Authority July and August 2024 Financial Reports; Recommend Approval

Only the July 2024 Financials are Included



The State of Hawai`i
Department of Business, Economic Development, and Tourism
Hawai`i Tourism Authority
Financial Statements
July 31, 2024

These financial statements have been prepared by HTA management (unless otherwise noted) for information purposes only. See notes to the financial statements.

Prepared by: Talon Kishi, CPA

HTA Budget and Fiscal Officer

HAWAII TOURISM AUTHORITY

Hawaii Tourism Authority
July 31, 2024
Table of Contents

Balance Sheet	3
Statements of Revenues, Expenditures, Changes in Fund Balances, and Budget. vs. Actual:	
Fiscal Year 2025 Tourism General Fund	4
Fiscal Year 2024 Tourism General Fund	5
Fiscal Year 2024 Convention Center General Fund	6
Roof Repair Project and Roof Related Repairs	7
EDA-ARPA State Tourism Grant	8
Tourism Emergency Special Fund	9
Tourism Special Fund	10
Convention Center Enterprise Special Fund	11
Selected Management Disclosures	12-14

Hawaii Tourism Authority
Balance Sheet
As of July 31, 2024

	Tourism Funds	Convention Center Funds	Roof Repair Project and Roof Related Repairs	EDA-ARPA State Tourism Grant	Tourism Emergency Special Fund	Total
Assets						
General Funds	64,238,452	2,078,262	-	-	-	66,316,714
Special Funds (restricted)	8,408,120	47,754,689	-	-	-	56,162,809
Federal Grants	-	-	-	9,056,717	-	9,056,717
General Obligation Bonds (GOB)	-	-	14,572,388	-	-	14,572,388
Cash and Cash Equivalents	-	-	-	-	772,159	772,159
Total Assets	72,646,572	49,832,951	14,572,388	9,056,717	772,159	146,880,787
Liabilities and Fund Balances						
Fund Balances						
Encumbered - General Funds	6,899,072	2,078,262	-	-	-	8,977,334
Unencumbered - General Funds	57,339,380	(0)	-	-	-	57,339,380
Total General Fund Balances	64,238,452	2,078,262	-	-	-	66,316,714
Encumbered - Special Funds	935,042	501,432	-	6,000,345	410,568	7,847,386
Unencumbered - Special Funds	7,473,078	47,253,257	-	3,056,372	361,591	58,144,299
Total Special Fund Balances	8,408,120	47,754,689	-	9,056,717	772,159	65,991,685
Encumbered - GOB	-	-	14,572,388	-	-	14,572,388
Unencumbered - GOB	-	-	-	-	-	-
Total GOB Fund Balance	-	-	14,572,388	-	-	14,572,388
Total Fund Balances	72,646,572	49,832,951	14,572,388	9,056,717	772,159	146,880,787
Total Liabilities and Fund Balances	72,646,572	49,832,951	14,572,388	9,056,717	772,159	146,880,787

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Fiscal Year 2025 - Tourism General Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended, YTD, and Fund Balance as of July 31, 2024

	Actual			Budget vs.
	Month Ended July 31, 2024	YTD	Encumbrances Remaining	Actual
			FY 25 Budget	Under (Over) Budget
Revenues				
Refunds	-	-	-	-
	-	-	-	-
Expenditures				
Administration and Governance	369,666	369,666	-	3,326,994
Branding and Marketing	3,924,920	3,924,920	-	35,324,281
Destination Stewardship and Community	792,388	792,388	-	7,131,495
Regenerative Tourism Development	376,218	376,218	-	3,385,963
Sports and Signature Events	731,808	731,808	-	6,586,267
Workforce Development	105,000	105,000	-	945,000
Total	6,300,000	6,300,000	-	56,700,000
Change in Fund Balance	(6,300,000)	(6,300,000)		
Fund Balances				
July 1, 2024 / July 1, 2024	63,000,000	63,000,000		
July 31, 2024	56,700,000	56,700,000		

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Fiscal Year 2024 - Tourism General Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended, 13-Month Period Ended, and Fund Balance as of July 31, 2024

	Actual			Budget vs. Actual	
	Month Ended July 31, 2024	July 1, 2023 to July 31, 2024	Encumbrances Remaining	FY 24 Budget	Under (Over) Budget
Revenues					
Refunds	-	-	-	-	-
	-	-	-	-	-
Expenditures					
Administration	-	327,170	10,000	337,170	(0)
Branding	1,800,000	31,810,416	1,043,320	33,081,417	227,681
Destination Management	-	8,358,902	5,233,836	13,592,738	(0)
Governance and Org-Wide*	-	346,599	147,200	514,893	21,094
HCC Marketing	-	3,962,000	-	3,962,000	-
Perpetuating Hawaiian Culture	-	1,091,803	204,583	1,317,765	21,379
Planning & Evaluation	-	663,410	141,897	805,308	0
Resident and Industry Comms	-	506,804	94,236	604,729	3,689
Safety & Security	-	520,000	-	520,000	-
Salaries	-	2,134,464	-	2,500,000	365,536
Sports	-	2,613,500	-	2,613,500	-
Workforce Development	-	126,480	24,000	150,480	-
Total	1,800,000	52,461,548	6,899,072	60,000,000	639,380
Change in Fund Balance	(1,800,000)	(52,461,548)			
Fund Balances					
July 1, 2024 / July 1, 2023	9,338,452	60,000,000			
July 31, 2024	7,538,452	7,538,452			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
FY 2024 - Convention Center General Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended, 13-Month Period Ended, and Fund Balance as of July 31, 2024

	Actual			FY 24 Budget	Budget vs. Actual
	Month Ended July 31, 2024	July 1, 2023 to July 31, 2024	Encumbrances Remaining		Under (Over) Budget
Revenues					
Refunds	-	-	-		
	-	-	-	-	-
Expenditures					
HCC Marketing	-	1,223,700	-	1,223,700	-
HCC Operations	-	3,952,440	2,078,262	6,030,702	(0)
HCC Repairs and Maintenance	-	3,745,598	-	3,745,598	-
Total	-	8,921,738	2,078,262	11,000,000	(0)
Change in Fund Balance	-	(8,921,738)			
Fund Balances					
July 1, 2024 / July 1, 2023	2,078,262	11,000,000			
July 31, 2024	2,078,262	2,078,262			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Roof Repair Project and Roof Related Repairs
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended, 13-Month Period Ended, and Fund Balance as of July 31, 2024

	Actual			Budget	Budget vs.
	Month Ended July 31, 2024	July 1, 2023 to July 31, 2024	Encumbrances Remaining		Actual
					Under (Over) Budget
Revenues					
Refunds	-	-	-		
	-	-	-	-	-
Expenditures					
HCC Full Roof Repair	-	298,712	888,288	1,187,000	-
HCC Roof Related Projects	-	-	13,684,100	13,684,100	-
Total	-	298,712	14,572,388	14,871,100	-
Change in Fund Balance	-	(298,712)			
Fund Balances					
July 1, 2024 / July 1, 2023	14,572,388	14,871,100			
July 31, 2024	14,572,388	14,572,388			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
EDA-ARPA State Tourism Grant
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended, 13-Month Period Ended, and Fund Balance as of July 31, 2024

	Actual			Grant Budget	Budget vs. Actual
	Month Ended July 31, 2024	July 1, 2023 to July 31, 2024	Encumbrances Remaining		Under (Over) Budget
Revenues					
Refunds	-	-	-		
	-	-	-	-	-
Expenditures					
Administration	-	-	-	254,907	254,907
Branding	2,500,000	4,000,000	-	4,000,000	-
Destination Management	-	967,655	6,000,345	7,950,000	982,000
Planning & Evaluation	-	-	-	750,000	750,000
Salaries and Fringe	-	-	-	1,069,465	1,069,465
Total	2,500,000	4,967,655	6,000,345	14,024,372	3,056,372
Change in Fund Balance	(2,500,000)	(4,967,655)			
Fund Balances					
July 1, 2024 / July 1, 2023	11,556,717	14,024,372			
July 31, 2024	9,056,717	9,056,717			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Tourism Emergency Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended, 13-Month Period Ended, and Fund Balance as of July 31, 2024

	Actual			Budget vs.	
	Month Ended July 31, 2024	July 1, 2023 to July 31, 2024	Encumbrances Remaining	Actual Under (Over) Budget	
Revenues					
Change in Fair Value	-	53,273	-	-	(53,273)
Interest, Net	-	72,658	-	-	(72,658)
Total	-	125,931	-	-	(125,931)
Expenditures					
Administration	-	83	-	-	(83)
Branding	-	3,950,000	-	3,950,000	-
Destination Management	-	-	300,000	300,000	-
Planning & Evaluation	-	-	25,000	150,000	125,000
Resident and Industry Comms	-	263,739	85,568	349,307	(0)
Safety and Security	-	250,693	-	250,693	0
Total	-	4,464,515	410,568	5,000,000	124,917
Change in Fund Balance	-	(4,338,584)			
Fund Balances					
July 1, 2024 / July 1, 2023	772,159	5,110,743			
July 31, 2024	772,159	772,159			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Tourism Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended, YTD, and Fund Balance as of July 31, 2024

	Month Ended July 31, 2024	Actual		Budget	Budget vs.
		YTD	Prior Year Encumbrances Remaining		Actual
					Under (Over) Budget
Revenues					
Refunds	-	-	-	-	-
Total	-	-	-	-	-
Expenditures					
Administration	-	-	52,203	52,203	-
Branding	-	-	544,237	544,237	-
Destination Management	-	-	230,000	230,000	-
Resident and Industry Comms	-	-	22,602	22,602	-
Workforce Development	-	-	86,000	86,000	-
Total	-	-	935,042	935,042	-
Change in Fund Balance	-	-			
Fund Balances					
July 1, 2024 / July 1, 2024	8,408,120	8,408,120			
July 31, 2024	8,408,120	8,408,120			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Convention Center Enterprise Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended, YTD, and Fund Balance as of July 31, 2024

	Month Ended July 31, 2024	Actual		Budget	Budget vs.	Prior Year Encumbrances Remaining
		YTD	Current Year Encumbrances Remaining		Actual	
					Under (Over) Budget	
Revenues						
Change in Fair Value	-	-	-	-	-	-
HCC Operations	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other*	-	-	-	-	-	-
Refunds	-	-	-	-	-	-
TAT	-	-	-	11,000,000	11,000,000	11,000,000
Total	-	-	-	11,000,000	11,000,000	11,000,000
Expenditures						
HCC Marketing	-	-	-	1,272,648	1,272,648	-
HCC Operations	-	-	-	6,745,696	6,745,696.00	501,432
HCC Repairs and Maintenance	-	-	-	25,981,656	25,981,656	-
Total	-	-	-	34,000,000	34,000,000	501,432
Change in Fund Balance	-	-	-			
Fund Balances						
July 1, 2024 / July 1, 2024	47,754,689	47,754,689				
July 31, 2024	47,754,689	47,754,689				

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
July 31, 2024
Selected Management Disclosures

1. Summary of Significant Accounting Policies

The Hawaii Tourism Authority (HTA or Authority) was established on January 1, 1999, by Act 156, Session Laws of Hawaii 1998. It was placed within the State of Hawaii, Department of Business, Economic Development, and Tourism, for administrative purposes only. The Authority is responsible for developing a strategic tourism marketing plan and developing measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan and progress toward achieving the Authority's strategic plan goals. In addition, effective July 1, 2000, control and management of the Hawaii Convention Center (HCC) were transferred to the Authority from the Convention Center Authority (CCA) by Executive Order No. 3817. Effective July 1, 2002, the Center, by statute, became the responsibility of the Authority. The Center opened to the public in June 1998 and is used for various 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 Authority is governed by a board of directors comprising 12 voting members, including those recommended by the State Legislature. The Governor of the State appoints the 12 voting members.

Funds

The Authority's funds are as follows:

Tourism Funds:

- **Tourism Special Fund (TSF)** –The TSF accounted for functions related to developing and promoting the tourism industry. Effective January 1, 2022, pursuant to Act 1 Special Legislative Session 2021, the TSF was sunset and discontinued the ability to expend any new funds. Funds encumbered as of June 30, 2021, can be spent until June 30, 2026.
- **Fiscal Year 2024 General Funds** – The 2023 State legislature did not provide HTA with an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$60,000,000 in general funds from Section 5 of Act 164, SLH 2023, to HTA on July 1, 2023. Funds lapsed on June 30, 2024.
- **Fiscal Year 2025 General Funds** – The 2024 Legislature appropriated \$63,000,000 of general funds for HTA's operating budget in Section 3 of Act 230, SLH 2024. The law allocated the \$63,000,000 budget between six program IDs based on each program's objectives. The six program IDs are Administration and Governance, Branding and Marketing, Destination Stewardship and Community, Regenerative Tourism Development, Sports and Signature Events, and Workforce Development. The law provided the funding via General Funds. As such, Budget and Finance's 10% restriction on all General Fund Appropriations applies. The HTA staff and board have discussed the matter and have informed all major vendors to adjust plans and budgets accordingly. Funds will lapse on June 30, 2025.

Convention Center Funds:

- **Convention Center Enterprise Special Fund (CCESF)** – Under Section 201B-8, the Convention Center Enterprise Special Fund accounts for functions related to the operation and management of the Hawaii Convention Center (HCC). The 2024 Legislature provided the CCESF with a \$34,000,000 expenditure ceiling in Section 3 of Act 230, SLH 2024. The expenditure ceiling will lapse on June 30, 2025.
- **Fiscal Year 2024 General Funds (operations)** – The 2023 State legislature did not provide the HCC with an operating budget for fiscal year 2024. As such, the Governor approved the transfer

Hawaii Tourism Authority
July 31, 2024
Selected Management Disclosures

of \$11,000,000 in general funds from Section 5 of Act 164, SLH 2023, for the HCC on July 1, 2023. Funds lapsed on June 30, 2024. Funds encumbered as of June 30, 2024, can be spent until June 30, 2029.

- **General Funds (CIP)** - Pursuant to Act 164, SLH 2023, \$64,000,000 of general funds were provided for long-term repairs of the HCC rooftop terrace deck. Per Executive Memorandum 23-08, dated October 30, 2023, the Department of Budget and Finance (B&F) transferred HTA's \$64,000,000 operating appropriation to B&F for the Maui wildfires.
- **General Obligation Bonds** – Under Act 248, SLH 2022, \$15,000,000 of general obligation bond funds were provided for the temporary repairs of the HCC roof repair and other items. The Governor authorized the release of funds on February 22, 2023. Unused funds will lapse on June 30, 2024.

The 2024 Legislature appropriated \$64,000,000 of General Obligation Bonds for the HCC Roof Repair Project in Section 3 of Act 230, SLH 2024. Funds will lapse on June 30, 2027.

Tourism Emergency Special Fund:

- The Tourism Emergency Special Fund accounts for functions related to maintaining a tourism emergency fund. Per Section 201B-10, revenues prescribed by Section 237D-6.5(b) and all investment earnings are credited to the fund's assets. Funds are currently held at the Bank of Hawaii. Funds must be exclusively used to respond to a tourism emergency per Section 201B-9.

On August 19, 2023, the governor declared a tourism emergency in the sixth emergency proclamation relating to the Maui wildfires. The Governor extended the tourism emergency in the sixteenth emergency proclamation dated July 19, 2024.

Federal Funds:

- **American Rescue Plan Act (ARPA)** – Official Name: Coronavirus State Fiscal Recovery Fund (CSFRF) Subaward. The former Governor authorized \$106,000,000 of ARPA funds to support HTA's and HCC's fiscal years 2022 and 2023 operations. HTA and HCC received \$95,000,000 and \$11,000,000, respectively. In total, for the two years ending June 30, 2023, \$59,155,512 and \$10,011,197 were spent on HTA and HCC operations, respectively. The Authority returned \$36,833,291 to the Department of Budget and Finance (B&F) on July 31, 2023.
- **Economic Development Administration (EDA) Tourism Grant** – Official Name: ARPA-EDA Tourism Grant (Non-Competitive ARPA State Tourism Grant for the State of Hawaii) – The Authority was awarded \$14,024,372 on December 8, 2021. Grant rules required the approval of the Grant Administration Plan (GAP) before the commencement of work. EDA approved the Authority's GAP on March 21, 2023. The Authority will share approximately \$7,200,000 of the grant with the Department of Land and Natural Resources (DLNR) to enhance and develop Hawaii's outdoor recreational assets. All work must be completed by May 31, 2027, and money spent by September 30, 2027.

Basis of Accounting

The Governmental Funds' financial statements are reported using the modified-accrual basis of accounting.

Hawaii Tourism Authority
July 31, 2024
Selected Management Disclosures

Transient Accommodations Tax (TAT)

Under Section 237D-6.5, \$11,000,000 shall be allocated to the Convention Center Enterprise Special Fund annually.

Governance & Org-Wide Expenditures

Governance and organization-wide expenditures include board member inter-island travel, meeting minutes, insurance premiums, and audit expenses for the Authority and the HCC.

Investments

The Authority's investments are reported at fair value.

The TSF and CCESF participate in the State's investment pool program directed by B&F.

Encumbrances

Encumbrances are obligations in the form of purchase orders, contracts, or other commitments that only become liabilities once the performance of the conditions stated in the commitment is completed.

Per HRS 40-90 (b), "All encumbrances for contracts shall become void after five years from the end of the fiscal year of the original encumbrance, provided that the comptroller may grant an exemption from this subsection if the comptroller finds that there is sufficient justification to extend a contract encumbrance."

Use of Estimates

Preparing these financial statements required management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

2. Accrued Vacation Liability

On June 30, 2023, management estimated the accrued vacation liability of approximately \$339,000, with a current liability of approximately \$132,000.

3. Retirement Benefits

Employees' Retirement System of the State of Hawaii (ERS)

At June 30, 2023, management reported a net pension liability of approximately \$6,063,000 for its proportionate share of the State's net pension liability. An actuarial valuation determined the net pension liability as of June 30, 2022.

For the year ended June 30, 2023, the Authority recognized pension expenses of approximately \$335,000. On June 30, 2023, management estimated the deferred outflows and deferred inflows of resources related to pensions of approximately \$576,000 and (\$571,000), respectively.

Hawaii Employer-Union Health Benefits Trust Fund (EUTF)

On June 30, 2023, management estimated the net other post-employment benefits (OPEB) liability of approximately \$4,808,000. An actuarial valuation measured the net OPEB liability as of July 1, 2022.

For the year ended June 30, 2023, the Authority recognized OPEB expenses of approximately \$18,000. On June 30, 2023, management estimated the deferred outflows and deferred inflows of resources related to OPEB of approximately \$227,000 and (\$536,000), respectively.