



HĀLĀWAI PAPA ALAKA'I KŪMAU O KE KE'ENA KULEANA HO'OKIPA O HAWAII
REGULAR BOARD MEETING OF THE HAWAII TOURISM AUTHORITY

HĀLĀWAI HŌ'EA KINO A KELEKA'A'IKE
HYBRID IN-PERSON & VIRTUAL MEETING

Po'ahā, 23 Pepeluali, 9:30 kak.
Thursday, February 23, 2023 at 9:30 a.m.

Kikowaena Hālāwai O Hawai'i
Papahale Ho'okū Ka'a | Lumi Nui A
1801 Alaākea Kalākaua
Honolulu, Hawai'i 96815

Hawai'i Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815

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Ma hope o ke kāinoa 'ana, e ho'ouna 'ia ana ka leka uila hō'oiā iā 'oe nona ka 'ikepili komo hālāwai.

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Hiki i ka lehulehu ke hō'ike mana'o ma o ka palapala a i 'ole ma o ka waha.
Members of the public may provide written or oral testimony on agenda items.

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 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 pihī "Q&A."

Oral testimony (in-person or via Zoom) will be limited to five minutes for each testifier per agenda item. Signup for oral testimony in-person will be at the registration table in the meeting room. 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. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai (he 48 hola ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ka papa alaka'i a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai. E leka uila 'ia nā palapala hō'ike mana'o iā Carole Hagihara-Loo ma carole@gohta.net, a i 'ole, e lawe kino 'ia i ke ke'ena.

Written testimony received ahead of the preparation of the board packet will be included in the board packet. Written testimony received after the issuance of the board packet (48 hours ahead of the meeting) will be distributed to the board and available for public inspection at the meeting. Email written testimony to **Carole Hagihara-Loo** at carole@gohta.net or hand-delivered to the HTA office.

Papa Kumumana‘o
AGENDA

1. *Ho‘omaka*
Call to Order
2. *E Mālama ‘Ia Ana Ke Kikolā E Kāhea Ai I Nā Lālā Papa Alaka‘i Komo A E Hō‘oia Ai I Nā Kānaka ‘Ē A‘e E Komo Pū Ana Me Ka Lālā Papa Alaka‘i Inā Aia Ma Kahi Ka‘awale*
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic
3. *Wehena*
Opening Cultural Protocol
4. *‘Āpono i ka Mo‘olelo Hālāwai Papa Alaka‘i Kūmau o ka 26 Ianuali, 2023*
Approval of Minutes of the January 26, 2023 Regular Board Meeting
5. *Hō‘ike O Nā Alu Like ‘Ae ‘Ia Ma Ka Hālāwai ‘Ikepili A I ‘Ole He Hō‘ike I Ho‘onohonoho ‘Ole ‘Ia E Ka Papa Alaka‘i Ma Lalo O Ka HRS Māhele 92-2.5(C)*
Report of **Permitted Interactions** at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)
6. *Hō‘ike A Ka Luna Ho‘okele Ho‘okō/Ka Luna Kāko‘o Ke‘ena/Ka Luna Alowelo*
Reports of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer
 - a. *No ka Nūhou no nā Papa Hana o ke Ke‘ena Kuleana Ho‘okipa o Hawai‘i no Ianuali 2023*
Relating to **Update on HTA’s Programs During January 2023**
 - b. *No ka Nūhou o ko HTA Ho‘oholomua ‘Ana I Ka Papa Hana Ho‘okele Loli*
Relating to **Update on HTA’s Implementation of Change Management Plan**
 - c. *No ka Mo‘olelo Kūmakahiki*
Relating to the **Annual Report**
7. *Hō‘ike‘ike a Kūkā i ka ‘Ike Mākeke no Hawai‘i a me nā Mākeke ‘Oihana Ho‘okipa Nui o Hawai‘i*
Presentation and Discussion of **Current Market Insights and Conditions in Hawai‘i and Key Major Hawai‘i Tourism Markets**
8. *Mo‘olelo a Nūhou na ke Kōmike Mo‘ohelu Kālā, ‘Oihana Kālā, a Kikowaena Hālāwai o Hawai‘i no ka Hālāwai o ka 21 Pepeluai, 2023*
Report and Update by the **Budget, Finance and Convention Center Standing Committee of their Meeting held on February 21, 2023**
 - a. *Kūkā a Hana no ka Mana‘o Hāpai o ke Kōmike Mo‘ohelu Kālā, ‘Oihana Kālā, a Kikowaena Hālāwai o Hawai‘i no ka Mo‘olelo Kālā o ke Ke‘ena Kuleana Ho‘okipa o Hawai‘i no Ianuali 2023*
Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the **HTA’s Financial Report for January 2023**

- b. *Kūkā a Hana no ka Mana‘o Hāpai o ke Kōmike Mo‘ohelu Kālā, ‘Oihana Kālā, a Kikowaena Hālāwai o Hawai‘i no ka **Mo‘olelo Kālā o ke Kikowaena Hālāwai Hawai‘i no Ianuali 2023 a me ka Nūhou no ka Papa Hana Ho‘olālā CIP he 6 Makahiki o ke Kikowaena Hālāwai o Hawai‘i***
Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on **Hawai‘i Convention Center’s January 2023 Financial Reports and Update on the Hawai‘i Convention Center’s 6-Year CIP Plan**
 - c. *Kūkā a Hana no ka Mana‘o Hāpai o ke Kōmike Mo‘ohelu Kālā, ‘Oihana Kālā, a Kikowaena Hālāwai o Hawai‘i no ka **Noi‘ina o Kēia Mua Aku o ke Kikowaena Hālāwai o Hawai‘i***
Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the **Hawai‘i Convention Center Futures Study**
 - d. *Kūkā a Hana no ka Mana‘o Hāpai o ke Kōmike Mo‘ohelu Kālā, ‘Oihana Kālā, a Kikowaena Hālāwai o Hawai‘i no ke **Kālā e Pono ai nā Noi Kālā Mākeke Nui ‘Amelika Hui Pū ‘Ia no ka Hokona Alowelo a Ho‘okele Wahi Huaka‘i ******
Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee for **Funding of United States Major Market Area Brand Marketing and Destination Stewardship Requests for Proposals *****
 - e. *Kūkā a Hana no ka Mana‘o Hāpai o ke Kōmike Mo‘ohelu, Kālā, a Kikowaena ‘Ākoakoa o Hawai‘i Kūmau no ka **‘Āpono i ke Kālā no nā Mākeke Kau‘āina ******
Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee to **Approve Funding for International Markets *****
9. *Mo‘olelo a Nūhou na ke **Kōmike Ho‘okahua Hawai‘i no ka Hālāwai o ka 16 Pepeluali, 2023***
Report and Update by the **Ho‘okahua Hawai‘i Standing Committee** of their Meeting held on **February 16, 2023**
- a. *Kūkā no ka **Ho‘okō ‘ia o nā Mana‘o Ho‘okele ‘Āina Aloha Economic Futures ma ka Hana a ke Ke‘ena Kuleana Ho‘okipa o Hawai‘i***
Discussion of the **Implementation of ‘Āina Aloha Economic Futures Principles in the Work of the HTA**
 - b. *Kūkā no nā **Papa Hana Ho‘okele Wahi Huaka‘i***
Discussion on the **Destination Management Action Plans**
10. *Mo‘olelo a Nūhou na ke **Kōmike Alowelo no ka Hālāwai o ka 15 Pepeluali, 2023***
Report and Update by the **Branding Standing Committee** of their Meeting held on **February 15, 2023**
- c. *Kūkā no ka **Papa Hana Hokona Alowelo Iāpana o ka ‘Oihana Ho‘okipa o Hawai‘i 2023***
Discussion on the **2023 Hawai‘i Tourism Japan Brand Marketing Plan**

- d. ***Kūkā no ka Papa Hana Hokona Alowelo Pākīpika o ka ‘Oihana Ho‘okipa o Hawai‘i 2023***
Discussion on the **2023 Hawai‘i Tourism Oceania Brand Marketing Plan**
 - e. ***Nūhou no ka Ho‘okūkū Noi Kālā Alowelo a Hokona ‘Oihana Ho‘okipa o Hawai‘i no ka Mākeke ‘Amelika Hui Pū ‘Ia***
Update on the **Hawai‘i Tourism Destination Brand Management & Marketing Services for the United States Market RFP**
11. ***Hō‘ike‘ike, Kūkā, a Hana no ka Loiloi Kālā Makahiki Kālā 2022 o ke Ke‘ena Kuleana Ho‘okipa o Hawai‘i a Loiloi Kālā Pekelala***
Presentation, Discussion and Action on the **Hawai‘i Tourism Authority’s Fiscal Year 2022 Financial Audit and Federal Funds Single Audit**
 12. ***Kūkā no ka Nūhou Hana Mākeke Hālāwai, ‘Aha, a Hana Ho‘oholomua a me ka Mo‘olelo Pace, a me ka Hana Kikowaena Hālāwai o Hawai‘i a me ke Kālā Loa‘a Kūloko***
Discussion Regarding an **Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawaii Convention Center Activity and Local Sales**
 13. ***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 Session:** The Board may conduct an executive session 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.

Ma lalo o ka māhele 531.5 o ka Budgetary Control Accounting Manual, Moku‘āina ‘o Hawai‘i, he māhele ka ‘aina awakea o ka hālāwai. E mau ana ka hālāwai ma loko nō o ka ‘ai ‘ana, ‘a‘ole ho‘i ia he wā ho‘omalolo.

Pursuant to Section 531.5, of the Budgetary Control Accounting Manual, State of Hawai‘i, lunch is served as an integral part of the meeting, while the meeting continues in session, and not during a break.

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: carole@gohta.net e like me ka wikiwiki i hiki, 'a'ole ho'i a ma 'ō aku o ka 'ekolu 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 la'a ke kope pa'i nui, Braille, a kope uila pū ma ke noi.

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. If a response is received the day before the meeting, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternative formats such as large print, Braille, or electronic copy.

E like nō me ka 'ōlelo o ke Kānāwai 220, 'a'ole e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi ka'awale no ka lehulehu a lālā papa alaka'i e nānā a e komo ai i ka hālāwai ma ka ho'ohana i ka 'enehana komo hālāwai (ICT), no ka mea, hiki nō i ka po'e o ka lehulehu a lālā papa alaka'i ke nānā a komo pū ma ka hālāwai hō'ea kino.

In accordance with Act 220, the Hawai'i Tourism Authority will not 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) because there will be an in-person option for members of the public and board member to view and participate in the meeting.

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Approval of Minutes of the
January 26, 2023 Regular Board Meeting



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, January 26, 2023, 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:

George Kam (Chair), Mike White (Vice Chair), Kimberly Agas, David Arakawa, Dylan Ching, Keone Downing, Mahina Paishon Duarte, Stephanie Iona, James McCully, Sherry Menor-McNamara (Zoom), Ben Rafter (Zoom), Sig Zane

HTA STAFF PRESENT:

John De Fries, Daniel Nāho'opi'i, Kalani Ka'anā'anā, Marc Togashi, Caroline Anderson, Ilihia Gionson, Iwalani Kaho'ohanohano, Jadie Goo, Carole Hagihara, Maka Casson-Fisher, Tracey Fermahin, Maile Carvalho

GUESTS:

Representative Sean Quinlan, DBEDT Director Chris Sadayasu, Kylie Butts, Jennifer Chun, Laci Goshi, Livia Hustetler, Chris Kam, Erin Khan, Noelle Liew, John Monahan, Jeffrey Eslinger, Bobbie Okimoto, Teri Orton, Davis Price, John Reyes, Jessica Lani Rich, Mari Tait, Jay Talwar, Debbie Zimmerman

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Kam called the meeting to order at 9:30 a.m.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Mr. Gionson did the roll call, and all members were confirmed in attendance. Members who attended via Zoom were by themselves.

3. Opening Cultural Protocol

Mr. Casson-Fisher did the opening protocol, and Daniel Nāho'opi'i, the new Chief Administrative Officer, acknowledged the Chinese cultural traditions practiced in Hawai'i and welcomed the lion dances to bless the Board meeting today. The Chinese believed the lions would chase away the bad spirits and bring prosperity.

4. Approval of Minutes of the December 22, 2022, Board Meeting

Chair Kam asked for a motion to approve the minutes. Ms. Mahina made a motion to approve the minutes. Mr. White seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

5. Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)

Mr. Sadayasu acknowledged the HTA staff. He was asked to present the budget for his department at the previous meeting concerning the HTAs request for the \$75 million for the FY2024, and \$60 million for the FY2025. He said Mr. De Fries and the team answered as many questions as possible. The WAM committee provided a lot of feedback. He used the feedback and worked with his team. He apologized that he did not come to the Board before. He made a statement at the WAM hearing in response to the recommendations WAM provided to DBEDT, and how the DBEDT team moves forward. He said he had privileged communications with Mr. Cole at the Attorney General's office and a conversation with Bonnie Kahakui at the State Procurement Office on January 24, 2023. He also had a chance to brief the governor's office on his thoughts. At the WAM hearing, he made an announcement when a lot of the committees asked about HTA that he is contemplating taking on the procurement at the advice of what the HTA's Board is deciding as the goal. He announced that DBEDT directors' office would run the U.S. market procurement. He concluded his report, and was open to questions, comments, and recommendations. He added that he was planning to attend the Board meeting today, and apologized for not briefing Mr. De Fries about it in advance. The announcement he made was merely a response to questions from various committees, such as Energy, Economic Development, Tourism, WAM, etc. He was frustrated about why the information was not provided to him, and he received the reasons why. He was ready to listen to the HTA about a

decision. He wants to work collaboratively to support the HTA. New bills are being introduced regarding the HTA.

Mr. De Fries welcomed Ms. Goshi in the DBEDT director's office as a special projects manager. Mr. De Fries mentioned that the issue is the two RFPs the HTA has been developing. To Mr. Sadayasu's credit, he started an enquiry into the status of those RFPs in late December 2022. He prefaced that by attending a Board meeting at CNHA to clarify the ruling by Mr. McCartney.

Mr. De Fries said the HTA issued a letter clarifying on behalf of DBEDT on December 20, then on December 27, that they requested summaries of the RFPs. He said the summaries had a protested timeline, and they had been in the draft stage as the information of the RFP was complex. On January 2 2023, he became aware that the governor was interested in understanding the budget amounts for each one. That is where the responses came in. He was advised by SPO to be very protective of the RFP to improve things like the budget and the start date. The first time the public would hear from the HTA about the RFPs, is the day it would be posted and made public. There is no advanced notification. The rationale behind that has an advance notification could advantage one or more offers. So the summary did not have the budget line item breakdowns. It had bullet-pointed information and a timeline.

On January 16, Martin Luther King's Day, Mr. De Fries and Mr. Sadayasu discussed on the phone and Mr. De Fries knew Mr. Sadayasu was going to the governor's office for a briefing. Mr. Sadayasu requested that Mr. De Fries send an updated summary that did not contain the budget amounts. Mr. De Fries sent the gross amount, not the line item breakdown so that Mr. Sadayasu would have some understanding of what the scale was and how comparable it was. Mr. De Fries had not wanted to go into the governor's office without that context. On January 19, Ms. Goshi requested copies of the full RFPs, and she gave them until January 20 to deliver those. She received both RFPs from Mr. Togashi.

Mr. De Fries said an RFP document is 191 pages compared to three- or four-page summaries. He said the first time the office gets the full RFP is January 20. They were proceeding along the lines of thinking they were fulfilling the request. The previous day at WAM, he was surprised as he thought it was tracking as it should. At the WAM meeting, he said people were encouraged to make bold decisions. Mr. De Fries said the HTA was fortunate to have Mr. Sadayasu and Ms. Goshi with their knowledge of the HTA, but he didn't want anyone to think that Mr. De Fries believed Mr. Sadayasu had malintent. He said he was doing his job, and it was a tight space they were all working in. Two sessions ago, the bank that funded the HTA left the room and went to the capital. They have both houses and the administration whom they are navigating with. He said he is looking forward to the meeting on Monday. They need to resolve this, and he said the HTA is best equipped to facilitate and take advantage this. Looking back at the two

RFPs fifteen months ago, the HTA and staff hit the timelines and milestones in the RFP and were awarded each time. Where the calendar and clock started getting out of whack is the review to protest. He said it is water under the bridge, but he has no reason to believe that once they launch the RFP, staff will not be able to execute the way they did the first few times. He said it is a bigger challenge this time because the SPO's guidance wants people with fresh eyes to look at it. The only exception is Mr. Ka'anā'anā, as he is the contract administrator. They are cautious in ensuring that the evaluation committee members do not have an affiliation with HVCB and CNHA.

When looking for expert evaluators, finding those without an affiliation to HVCB and CNHA in Hawai'i is difficult. They are battling with that, which is time-consuming, as they still want the expertise on the committee.

Mr. Sadayasu said he had regular communications with Mr. De Fries, who had provided information to him. Mr. Sadayasu had a disagreement with Mr. De Fries at the end of the WAM meeting because not all deadlines were not met even though Mr. De Fries had provided information. That is why he said what he said. He had concerns as the dates kept slipping.

Mr. De Fries summarized that Mr. Sadayasu did not get all the information requested, but what he received in the deadline was incomplete, and that is his reference to the budget and the protection of that due to the guidance of the SPO. Mr. Sadayasu reiterated that what Mr. De Fries said was correct, but the deadlines were not met regarding some information he had requested. Ms. Iona said she understands the legislator process regarding the WAM committee and the requirements and is trying to work together and have unity when they go to the legislature. When she started the HTA Board position, she asked, "Who is the authority?" And she was sold by the idea it's the Board. With respect, she does not believe that Mr. De Fries could provide what was necessary for the timeline. She understood the HTA was following the process and questioned how anything could be given to Mr. Sadayasu without Board approval, so she said Mr. De Fries and the staff had provided what they could. She said the process has to be followed. The staff has to be respected as they work hard towards deadlines, and they do not want another situation where a DBEDT director is embarrassed in front of the community. The HTA's job is to work together and unify tourism in Hawai'i. She asked Mr. Sadayasu to let the process go the way it should. She said Mr. De Fries is a good leader and asked Mr. Sadayasu to let them do their job and support them.

Ms. Duarte wanted to understand what Mr. Sadayasu meant about the dates slipping for them to work on corrections. Mr. Sadayasu clarified that the timelines Mr. De Fries mentioned were correct, but he had asked for follow-up information about the two RFPs. Dates kept slipping when he asked for the information in time for his meeting with the governor, and it was

received incomplete. Then he had asked for a time to have it and it was late. He clarified for the timeline for the issuance of the RFPs; it says a certain date, and the most recent one had a much different date. He appreciated the feedback. He said he would step back if that is the authority's intent, but he wants timelines and deadlines to be met.

Ms. Duarte said she understood Mr. Sadayama's concern was about HTA's work capacity to provide the necessary completed reports and meet the deadlines. Her concern was regarding his comment that he wants to foster trust and a collaborative environment and aloha. She said the HTA is a mirror to support the people and 'āina of Hawai'i to ensure they are prosperous, thriving, and helpful. She was confused as the last ten minutes at the WAM meeting did not foster trust and a sense of collaboration, and the aspects of aloha. Mr. Sadayasu said that is the culture they are trying to build at DBEDT with the HTA's collaboration. He apologized for not providing additional information. He said he is not supposed to meet with the Board on matters that are supposed to be voted on, so he had to consult with the AG and SPO. He had to let WAM know what he was contemplating. His point is to listen and foster a relationship, but he cannot discuss things that need to be discussed by the Board. His rationale was that if his office runs the procurement, if a protest arises, his office could manage it.

Mr. Arakawa said he was shocked by Mr. Sadayasu's statement the previous day, but he appreciated the apology and what looks like a change in the management style in how he handled it. He spoke to Ms. Duarte's question on going forward to check with the HTA first and treat each other with aloha. Mr. Sadayasu said he would caution that there are times when he cannot speak to everyone, and would do better with communication and living with aloha, which he believes in.

Mr. Arakawa said that after Ron Rodriguez left the HTA, HTA had Mr. Regan, and his understanding was that Mr. McCartney had taken over as HOPA. Mr. Sadayasu said, as a Director of DBEDT, he was always HOPA, and he had continued the delegation to Mr. Togashi as the procurement officer for the HTA, which never changed. Mr. Arakawa said he personally, not as a Board member, felt more comfortable working with Mr. Sadayasu after his apology. He would like Mr. Sadayasu to operate the same as former DBEDT McCartney, acting as HOPA with the HTA staff given his legal background knowledge in procurement. Mr. Sadayasu said he is still the HOPA, not running the procurement. He will follow the admin rules of procurement laws as required.

Mr. Arakawa provided some history as he has been a long-time board member, and some new Board members have not gone through the procurement process. The Board never gave prior

approval to the DBEDT Director. Mr. Arakawa advised Mr. Sadayasu to ask AG whether DBEDT needs HTA's Board approval because he was shocked to learn the SPO wouldn't provide information on the RFP to the HOPA. Mr. De Fries said the SPO is now being extra cautious after what happened the first time. He wanted to ask Mr. Cole, under Mr. Sadayasu's contemplation, to bring the procurement into DBEDT, making an award; if there is a protest, would he be able to preside over his ruling as HOPA? Mr. Sadayasu said that was correct. If there is a protest of an award issued by DBEDT, there is a process to go through an administrative hearing with DCCA which allows for challenging HOPA's decision. As HOPA, Mr. Sadayasu is not on the evaluation committee. The evaluation committee makes the recommendation to the HOPA, and then he would issue the award, and the contract would be administered by the HTA. The process allows the HOPA to decide if there is a protest.

Mr. Arakawa said that whatever advice SPO gives Mr. Sadayasu, the HTA should ask for it in writing so that it protects everyone. Mr. De Fries said he would follow through with that. Mr. Sadayasu said that if the HTA Board takes charge of the procurement, then Mr. Sadayasu will step back from the procurement. He said the HTA must decide that in the executive decision. Mr. Sadayasu said he would like to stay for the meeting but had to leave at a certain time. He said that on Monday, January 30, he has to report on what was discussed and decided.

Mr. Arakawa brought up Ms. Duarte's questions about Mr. Sadayasu's wanting to take over the procurement due to the deadlines. He asked if there were other reasons for wanting to take over the procurement. Mr. De Fries asked that it be shared confidentially. Mr. Sadayasu said he liked the summaries that had the appropriate scope, but the draft was provided was preliminary, and the dates and times were different. He said staff would still need to provide a complete document that he could tweak as seen fit, but he liked what he saw in summary. If that was included in the draft there would not be many edits. The evaluation committee would have to provide their comments as provided by the rules. He appreciates all of the HTA's efforts and only wants the best way forward.

Mr. De Fries clarified that the SPO is not saying to keep the information from the HOPA, but they are saying to be protective of it going external to the HTA. Mr. De Fries said it is not about holding information from the HOPA, it is more about being cautious. Mr. Arakawa asked what the delay was. Mr. De Fries said that at that time, they were furnishing summaries, not the entire RFP. Mr. White said it is important to get it out, and there are significant complexities regarding the RFPs, and it is a challenging process. They are not allowed to talk about the RFPs because they are under the sunshine law. It is the HTA's responsibility to ensure they are doing everything correctly at the right time. Mr. Sadayasu said the RFP issue has been going on for a long time and questioned why the staff did not have it drafted and ready for consideration from

the Board. Chair Kam said he appreciated Mr. Sadayasu's apology and said they would take on the kuleana, and would love to have the support of DBEDT and their team in any resources they need to support the HTA and the staff.

Mr. McCully asked how he intended to do what Mr. Sadayasu suggested. Mr. Sadayasu asked Mr. Cole to elaborate on that and put it in writing. Mr. Sadayasu said the HTA still has to issue the Canada and China RFPs, and he has received those timelines. He said they would do multiple RFPs simultaneously, which is why he contemplated taking over. He said HOPA is the authority to do procurement. Mr. McCully said that as new members, they were all new to this, and his understanding was that the prior RFPs and contracts were rescinded by law in December 2022, and anything done now to affect the future RFPs does not have an effect to protest against it. He asked what the rule is in place before anything happens after the proposal request is evaluated and a contract is issued. Mr. Sadayasu said that for the second RFP CNHA was awarded, HTA issued it, and then there was a protest by HVCB. HOPA is the one that decides on protests, so Mr. McCartney took on the protest and made a decision at the end of his last day that he was rescinding the award to CNHA, effectively canceling the RFP. So now there is no active procurement on this, but there is a discussion amongst everybody about the procurement and how that moves forward. As DBEDT, as the HOPA, they have delegated procurement authority for the HTA to Mr. Togashi as the procurement officer of the HTA. The HTA has been issuing RFPs, and doing all procurements as necessary. The contemplation was that DBEDT would step in with its authority as HOPA to take a procurement only for the U.S. market.

6. Reports of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer

a. Relating to Update on HTA's Programs During December 2022

b. Relating to Update on HTA's Implementation of Change Management Plan

Mr. De Fries thanked Mr. Sadayasu for joining. He asked if there were any questions from the December report. He thanked the staff for their help in getting the twelfth CEO report out. He said the HTA is the only state agency that does a report on that level. They received a report on recommendations from the state auditor in September 2020 that assessed the fourth quarter 2021 work activity as to where the HTA was regarding compliance or non-compliance. He said everyone received a copy of the audit action plan the previous evening, which will bring the HTA into full compliance over the next few months. The responsibility of overseeing the audit action plan falls onto the administrative officer. He asked to give an overview.

Mr. Nāho'opi'i said the audit action plan includes addressing the auditor's comments and findings from 2021. Some actions include reviewing and revising quality assurance procedures,

but the position descriptions to recollect were quality assurance procedures. It also includes taking remediation actions regarding contract and oversight. In the report, some contracts needed additional receipts and checking on sub-contractors to see if the HTA approved them. They will be reviewing that. The policies and procedures will be updated, including those for procurement, which they have already started with. It aligns with their internal procedures as well the State Procurement rules. It includes training staff on all the changes, policies and procedures, including quality assurance and procurement procedures, and ensuring documented training materials. It also includes ensuring there is a distinction between what is sole-sourced, exemptions, and proper documentation for that. They will also implement additional reviews in their procedures as part of the quality assurance so that staff gets training. They check through them and then coach the staff if there are any issues.

Mr. Arakawa asked if they could have that item as a standing item, as they did previously, so they could follow up monthly. He asked Mr. Nāho'opi'i how many items there were. Mr. Nāho'opi'i said there are a lot of short-term changes that could be accomplished in a month or two. Their plan could be completed, and they have an additional body in the house.

Mr. Arakawa asked for confirmation that there were 21 recommendations on the list, and some are implemented, some are not, and some are in process. Mr. De Fries said that of the 27 recommendations, 5 were implemented, 16 were implemented, 2 were not implemented, 2 were not applicable, and 2 disagreed. He said it is important to focus on the plan.

Chair Kam asked that this is provided in the CAO report for every Board meeting. Mr. De Fries added that January 2023 was also intense with the relationship with the PGA for 3 golf tournaments. He extended his gratitude to Gov. Green, who visited to support. He and Mr. Ka'anā'anā were able to meet with the PGA commissioner, and they were grateful that their partnership had been extended. That followed with details on the Sony tournament which took part. He said there is potential to do more with Sony. He spoke about the Mitsubishi Electric event, and asked Mr. Ka'anā'anā to expand on the plan in the future. He thanked the Branding team for all their hard work.

Mr. Ka'anā'anā spoke about the Aloha Swing 2023. He said it sets up a series of events to open the season for golf. He said there are special events that help reinforce the Boards leadership around ensuring everything they do, which starts with brand alignment, the ability to reach the audience, and how to create community benefits and the benefits that come from it. He said there would be reports now that all the events are done. On January 5, with Ms. Chun's help they attended an installation ceremony of a permanent plaque in the Gallery of Legends, honoring Allan Zecha, the founder and executive chairman of Pacific Leisure Group.

Ms. Chun said it was the first time doing an induction in the gallery. She reiterated that it is an honor that they are hosting it at the Daniel K. Inouye airport. Mr. Ka'anā'anā highlighted that on January 12, he, Ms. Chun, and Jeffrey Esslinger met A4A (Airlines for America), where every airline member, state and local government representative was present. They raised critical issues such as DMAPs and scheduled times, as well as other issues important to the HTA. He spoke about the January 18, the Hokkaido delegation visited the HTA, where he met with the vice-governor and other government officials. It was a great exchange, and they shared opportunities for collaboration. They also wanted to support the Hawaiian Airlines direct route to Hokkaido, and Mr. Ka'anā'anā agreed to explore that.

Mr. De Fries said the HTA is the public component in everything related to the public or private partnership. The numbers are still being calculated for December, but they are on track to meet DBEDT projections of \$19 million in visitor spending in 2022, which is up 7.3% over 2019, with 9.2 million visitors, or 11.8% fewer visitors than in 2019. In November 2022, the department of taxation collected \$769.8 million in TAT, which is 30.3% more than the \$590.9 million collected from January to November 2019. Those collections are part of the projected total of \$2.21 billion in state tax revenue of January 2022, up 6.8% over 2019.

7. Presentation by the OmniTrak Group on the Resident Sentiment Survey Results

Mr. Kam shared the resident sentiment results. He said what drives resident sentiment is economic benefits, impact on quality of life, and also tourism management efforts to balance the economic impact better. He said they look at resident sentiment recovery after a prolonged downturn. He said residents feel more effort is being made to balance economic benefits and quality of life.

Mr. Kam explained how the research worked. They ask residents for a level of agreement with about 25 to 30 statements. They are given a ten-point scale to vote on. If they score between 6 and 10, that is considered positive. 1 to 5 is on the negative side. They are also allowed to be unsure of their answer. They then take the data from those rankings.

Mr. Kam spoke about a few attitudinal statements and how the various islands ranked. In terms of improvement, they use driver analysis. They take the 25 to 30 statements and focus on one statement in particular, e.g, the benefits of tourism outweighing the problems of tourism. They take the individual statements' ratings and group them to see how they improved in the drivers. The economic benefits included cultural preservation and giving back to the community pre-COVID. For post-COVID they looked at economic benefits, quality of life benefits, and tourism management. Sustainability becomes a factor. For Fall 2023, the economy and quality of life benefits become intertwined with tourism management and sustainability. He took a

deeper dive into the primary drivers. What makes up the drivers, are job opportunities, supporting local businesses, helping fund stewardship, residence quality of life, and contributing to the perpetuation of the native Hawaiian Culture and language.

Mr. Kam spoke about tourism management's impact on resident sentiment. He talked about DMAPs and some of the statements they test that relate to DMAPs. There was a statistically higher rating for those statements from residents who were aware of DMAPs, compared to those who were unaware of the DMAP programs. Twenty-one percent were aware of DMAPs. Across the state, awareness ranged from 21% to 24%. This awareness makes a difference. Building awareness is an opportunity they have.

Mr. Kam spoke about the implementation of tourism management. He spoke about the general curve. In 2010 the resident sentiment was high. After 2010 resident sentiment weakened for a decade until Fall of 2021 when it bottomed out and finally started recovering in 2022. Between 2010 and 2021, he questioned what happened to cause the drop in resident sentiment and mentioned a few possible factors. The good news is that it seems to be on the road to recovery. He addressed a few questions. One of them was whether the problems of tourism outweighed the benefits. Those who voted said the issues related to that were damage to the environment, high prices, higher cost of living, travel problems, and no respect for culture and traditions (increased significantly). He elaborated on more statements and the results thereof.

Mr. White asked if the responses were done by phone or how they are done. Mr. Kam said they do the research methodology online and phone. Online picks up about two-thirds, and phone is one third. The phone includes cell phones and landlines.

8. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets

Ms. Chun said they collected \$60 million in TAT for December 2022, similar to November 2022. There were higher months earlier in the year, but not far from what they have seen historically. For the FY2023 full year to date, they are ahead by 27.7%. With the TSA throughput for December, going towards the end of the month, there was more airport activity, but not the same volume as pre-COVID.

The hotel report, vacation rental reports, and the state occupancy for hotels were at 71.3% with an ADR of \$440, higher than the 2021 and 2019. Hotel demand is higher than vacation rentals.

She spoke about unemployment rates which are at 3.8% across the board. There is an increase in accommodation and food service jobs.

There are more non-stop seats in January, as there are more domestic seats. February is slightly ahead of 2019. The Travel Health index is at 86%, higher than the previous month. Looking specifically at their markets they care about, there is continued downward turn for China. She spoke about the figures from the U.S. Travel Association for November. Spending is up, and air travel is down, as well as overseas travel.

She spoke about the quarterly report by MMGY and said it is posted on the HTA website. In October, interest in Hawai'i was slightly down, the same as in the summer. In summer, the decreased interest is from the younger people, but young boomers and older boomers still want to visit Hawai'i. People with higher household incomes are still interested in visiting Hawai'i.

She spoke about people interested in visiting Hawai'i but changed their minds. 36% of people planning to go to Hawai'i but did not were questioned why they did not follow through with the visit. The top reasons were the price. They are still listing Hawai'i COVID restrictions as a deterrent for not going to Hawai'i, which is bizarre, as they are part of the U.S. market, so they obviously did not do their research.

Looking at where people went in the last three years, among people who were likely to visit Hawai'i, the other destinations they considered were California, Florida, New York, Nevada, Europe, the Caribbean, etc. Interest in Hawai'i is significantly higher for long-haul travelers. For the types of trips to Hawai'i, there is a decrease in people visiting with their children. Most people are planning to stay in hotels and are taking domestic flights. The reason for visiting is to spend family time and to visit friends. Destination choice influences include beautiful scenery, food, drink, and safety. People are also interested in beaches, historical sites, shopping, museums, etc. The other places people want to visit include California, Florida, Colorado, Alaska, and New York. Hawai'i is a top destination for most, but people also want to visit New York, San Diego, San Francisco, Las Vegas, and Florida. They are also interested in going to Europe, the Caribbean, and Canada.

The six-month outlook, going into the first quarter to April, May and June, is lower compared to pre-pandemic numbers. January and February are also lower, but March is a little higher. Los Angeles, San Francisco, and Seattle remain the top origins.

Most people are booking direct and booking more than 91 days out. Japan is lagging. Most people are coming from Tokyo, and most are booking direct, as the retail travel agents have not started yet. Lead time is 91 days or more. For Canada, it is a similar pattern to pre-pandemic numbers but lagging. Some origins are Vancouver, Calgary, and Toronto. Many people are booking direct and with a longer booking time. For Korea, it is similar but lagging behind pre-

pandemic levels. Most people are coming from Seoul. Korea is using travel agents. Australia is still lagging behind pre-pandemic, but most people come from Sydney, Melbourne, and Brisbane. Australia is using a lot of retail travel agents with a lead time of three months.

She spoke about new data where they asked if golf would influence people's travel choices. 81% said they liked golf. Looking at the data, most people are concerned with value for money, accessibility, and family friendliness, but a more interesting priority is the consideration of the same old practices. It is important to look at how they feel about sustainability, mālama, etc.

Most agreed that Hawai'i is a fun, exciting destination, but some said cost is a problem. She spoke about surfing. People who are into surfing are more aligned with Hawaii's values and trend well with mālama type statements. She said she wanted to do the chart for the Clippers, but it was difficult to identify the travel patterns because they are not as big as the Lakers. Perhaps the following month, she would have data for the Clippers.

9. Report and Update by the Ho'okahua Hawai'i Standing Committee of their Meeting held on January 17, 2023

a. Presentation, Discussion and Action on the Recommendation by the Ho'okahua Hawaii Standing Committee Regarding the Implementation of 'Āina Aloha Economic Futures Principles in the Work of the HTA

Ms. Duarte said that at the Ho'okahua committee meeting, they discovered that over half of the Board members are new. In June 2020, she was not yet a Board member but a committee member and a co-author of 'Āina Aloha Economic Futures (AAEF). She and Nā'ālehu Anthony, were invited by then-Chair Richard Fried and several other members at the time to present on AAEF because there is a lot of traction and a lot of eyes around what they were trying to do to transform the economic systems while they were in the middle of a pandemic. At the previous week's Ho'okahua meeting, the committee members had asked for a presentation and a refresh to understand what AAEF is. At the June 2020 meeting, they were new at the time. She thanked several members who had been and continue to be supportive: Mr. Arakawa, Chair Kam, and others who want to integrate and operationalize AAEF. She gave the floor to Mr. Price, who has worked in community engagement and development for many years.

Mr. Price said AAEF, at the onset of the pandemic in 2020, saw that tourism was battling. Ultimately, a handful of them worked together and had discussions via Zoom, including both chambers of the legislature and the governor. What they recognized was that many community voices were not represented. The discussion was to decide whether they fight for a seat at those tables or do they create their own table. They resolved to create their table. It started off as an opportunity to call for unity amongst economic sectors. The first step was establishing

values, alignment, and economic alternatives. They put together the core values. There was community input gathered at every step. They then drafted the AAEF declaration, a bold vision of identifying core values they could align around. He elaborated on the core values. He said the community members recognized the declaration as a breath of fresh air.

Mr. Ka'anā'anā said that as they went through the process, not only did they have different opinions amongst the fourteen co-authors, but as they engaged in their community, they saw a diversity of ideas, so the values were a place of refuge for the co-authors. Being value-driven is important. Mr. Price said the AAEF declaration was launched, and they are still gathering signatures which generated conversation, and they started to design a table of their own with like-minded folks.

Ms. Duarte added that core signatories include the HTA, Hawaiian Airlines, some major banks, every county, and some small business owners. She said they had built an inclusive table that is grounded in the value system that has always served them. She reiterated that fourteen volunteers meet a few nights a week. The declaration was where they started some action. Because there was community input during the process, that declaration snowballed into a lot more work than anticipated. The next step was developing the action agenda, which was pertinent because it is community driven. Then there was a common thread shared in the meetings: they will never effect change if they do not change the scorecards. That means what metrics to use and how to establish goals and milestones. Based on their input, they developed an assessment tool that could help identify some metrics to guide decisions. These tools are available online. Anyone could use the assessment tool. She elaborated on the scorecard that Mr. Price spoke about and gave a few examples. After the declaration, step two is creating concrete goals and priorities that they all will galvanize around, step three is two parts: measuring the progress together and shifting away from the old way of doing business to a more generative way of doing business and then sourcing the best ideas from public/private partnerships or community. She said 180+s proposals came through, reviewed by individuals. There were a lot of comments and opinions, and it was a healthy debate. Mr. Price noted that these were compiled via 15 individual workshop sessions across sectors, so they identified 15 sectors that make up the community. Each had a specialized workshop to elicit ideas.

Mr. Ka'anā'anā said it was a powerful tool. He spoke about the online tool they had to purchase. He said great discussions helped them formulate which ideas were best and how to move forward. The proposals were put into one policy playbook, and they ended up with 26 policy proposals across seven economic sectors that are all contained. He said the policy playbook was included in the meeting packet. He said they also identified other needs. One, was a funders playbook and how to get funders engaged in driving their investments in

alignment with the community priorities. Policy makers have one opportunity to lead, and funders have an opportunity to lead. He questioned how they support locals, islands, and districts and lead the economic transformation discussion. That was the short or midterm level. He said that on a long-term level, is how to support the ongoing conversations as perspectives have changed since 2020.

Mr. Price mentioned a few takeaways: the assessment and other adopted tools. Overall, the most important piece for him was the process, community engagement, and how decisions are made. The decisions cannot be left to status quo decision makers at the top, the community has to be engaged. There are great ideas in the community that carry value. Without bridging the divide, they are not left with a lot. The industries that make investments outside the government need to be brought to the table. The HTA is in an influential place to make that happen. He commends the HTA's efforts to implement some of the shifts. He said AAEF is a tool that could be used to achieve what the DMAPs set out to do.

Mr. Ka'anā'anā spoke to the theory of change, shared vision, and prosperity, saying that is what they are looking for. He reiterated that community input is important to get to a place that the community envisions. He spoke about the Strategic Plan with the four pillars and said they all need to be balanced.

Ms. Duarte asked Mr. Ka'anā'anā to elaborate on how the HTA has integrated the AAEF. Mr. Ka'anā'anā said the first was the Board's decision in 2020 to be a signatory to the declaration as it sent a strong signal to the community of what they do and how they get it done. The second step was staff support. He spoke about Ms. Anderson's work with SMS and Ms. Chun's work on the logic model and performance measures. He said it is an opportunity to infuse the ideas into the work across every program they are working on.

Ms. Duarte said that at the January 17 Ho'okahua meeting, they discussed areas where they could further operationalize and expand the integration of the AAEF into the structures of the HTA. They recommended four areas: planning, procurement, evaluation, and communications. She said they had a good conversation, and the community provided the recommendation unitedly. She thanked members who applied the AAEF and Ms. Menor-McNamara approved signing the declaration. She also thanked Mr. Atkins, Mr. Ka'anā'anā, Mr. De Fries, and the staff and leadership that are supporting and seeing the value of the AAEF.

Mr. De Fries asked Mr. Nāho'opī'i to provide foundational information and Ms. Anderson to speak on how this translated into her work. Mr. Nāho'opī'i said Ms. Anderson's project was to create performance and measures for all their programs. They utilized the AAEFs assessment tools and the eight assessment areas to perform the basis of the metrics they will be using.

Using the four pillars, they aligned the different areas. An example was to buy local produce to encourage increased local economies to return impacts to the community. They created measures to align all the programs from the bottom up. He mentioned that he is co-chair for the Ala Wai Watershed Collaboration, and they used it effectively to look at Ala Wai flood mitigation proposals. With Ms. Duarte's tool, they could assess each project and provide an understanding of how it works for the community, natural resources, and economics.

Mr. Downing asked how it could be incorporated into the hospitality industry. Mr. Price said they had many discussions about this and that gaps must be closed. He recognized the reality of asking industry to change. He said the community could not understand how the industry moves to inform them to make those shifts. He said there is a need to develop a tool that could translate those two areas. There needs to be a tool where they need an impact investment strategy that analyzes the strengths, weaknesses, and opportunities in the organizations who are willing to do it but cannot get there without the expertise and the capacity. The industry stakeholders who are willing and open to the change must be able to take the information and use it. He said what is important is the impact to the communities.

Ms. Duarte said they need to have multiple sources of data. She suggested that if there is funding, perhaps there are operators that want to be the first adopter, and they can take on risks for the purpose of learning for the greater good. Ms. Duarte asked if there was a recommendation to motion some of the areas. Chair Kam said they already have that, so it educates the new people. He said the motion was unnecessary as they had already motioned, but the signatories must educate everyone. Mr. Arakawa said they are okay with adopting it but asked for a follow-up report every six months on things that have been adopted or projects they have worked on. Chair Kam gave Ms. Duarte his kuleana and everything she shared; he said the HTA Board fully supports her. Mr. Downing said it was printed out for the Board, who was not around in 2020, to read and understand. He asked the Board to think about it, and it will be better for Hawai'i. He wanted to Board to understand that there are pieces they need to look at and discuss. He thanked Ms. Duarte for the excellent report.

10. Presentation, Discussion and Action on 2023 Los Angeles Clippers Partnership

Mr. Ka'anā'anā said the initial proposal and the last partnership were in the meeting packets. He said they ask for approval for staff to move forward in negotiations for an amount not exceeding \$500,000. That amount is \$150,000 less than the 2019 partnership, but the deliverables in the partnership agreement dated January 12 are still subject to further negotiation and are roughly equivalent, minus a few spots. On the whole, for \$150,000 less, they are getting the same deal they got in 2019. What is important in discussions with the Clippers is driving home the point about the community benefits, doing computer laboratory

replacements, and hosting clinics or camps on neighbor islands. They need to finalize that. One game would be in October, with Utah Jazz as a recommendation from staff. One important piece is the idea that the marketing does not stop at the current season but builds a bridge from the current season through the game and camp in October and into the next new season. The ask is to reallocate some of the slots for in-stadium stuff into the new season and the back half of the current season. In-game advertising is important.

Chair Kam asked for a motion. Chair Kam made a motion, and Ms. Duarte seconded. The motion passed unanimously.

11. Report and Update by the Budget, Finance and Convention Center Standing Committee of their Meeting held on January 25, 2023

a. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the HTA's Financial Report for December 2022

Mr. Rafter said the committee met the previous day. They went over the December financials. The report included a summary of the HTA's current financial position across all the revenue. There were no anomalies in the report, and he recommended the full Board's approval. There were no questions on the report.

Mr. Rafter asked for a motion to approve the December 2022 financial report as presented at the BFCC Standing committee meeting. Chair Kam made a motion, and Ms. Duarte seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

b. Update by the Budget, Finance, and Convention Center Standing Committee on the HTA's FY 2024 and FY 2025 Executive Budget Request to the 2023 Legislature

Mr. Rafter said the team provided a detailed update to the budget briefing for DBEDT that took place on January 17. The team also showed the draft of the FY2024 and the FY2025 budgets submitted to finance and the senate WAM. Although the budgets have not been approved by the Board yet, it is a starting point. The budgets represent \$75 million in 2024 and \$60 million in 2025, which was in line with former Gov. Ige's executive budget request to the legislature. This was included in the meeting packets. The next step for the BFCC would be to break down the budgets so that the Board could approve them. They have reviewed the higher-level budget multiple times, including in the 2022 BOD.

Mr. Arakawa said they also noted that the \$65 million in repairs for the HCC was not included. He felt that it should be included. He said the repair will help attract MCI business. Mr. McCully asked about the \$20 million reduction of the \$95 million and \$80 million. Mr. Togashi said they did not notate the original amounts they sought from the governor in their initial request. He

said the legislature is aware of the initial ask. When the legislature receives its meeting packet, it includes the amount that the department initially requested, and the governor's decisions are then reflected. There were no further questions.

c. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee to Release Funds for the United States Major Market Area Brand Marketing and Destination Management Support Services Requests for Proposals***

Mr. Rafter noted that the previous discussion in the committee meeting was before anything was discussed at the previous day's WAM budget briefing and DBEDT director's announcement. Team members presented and identified recommended amounts for the upcoming U.S. Brand marketing and destination management support services RFPs. To protect the integrity of the RFP process, they discussed those amounts in an executive session, including the breakdowns of the two. They had intended to bring the full Board in to discuss the team's recommendation for funding levels for both the RFPs. For confidentiality, they needed to move into an executive session to do that. The BFCC committee felt that any decision on the amounts of the two RFPs, pending on what Mr. Sadayasu Chris, would be best noted by the Board, not just the BFCC committee.

Mr. Sadayasu gave the reasons for the executive session. It is when the Board considers matters that require information that is confidential by law under the procurement code for some of the information before posting or making it public. It is also under 201B, including reasons for the HTA to hold executive meetings, one being the competitive advantage for information related to that.

Chair Kam made a motion to go into executive session, and Mr. White seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

After the executive session, Mr. Togashi asked for a motion to approve the release of funds for the U.S. Brand marketing and destination Management Support Services RFPs in the amounts recommended in the executive session. Chair Kam made a motion, and Mr. McCully seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

d. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on Hawai'i Convention Center's December 2022 Financial Reports and Update on the Hawai'i Convention Center's 6-Year CIP Plan

Mr. Togashi said Ms. Orton presented the reports and updated the Board on the 6-year plan. As part of the discussion, staff confirmed that no request for CIP funds had been made for a long-term fix of the rooftop terrace deck. They must discuss whether the HTA needs to make a

similar request for what they need in the 2022 session. He said they also discussed the \$15 million temporary rooftop fix the legislature appropriated. Staff provided a status update as they worked with DBEDT to release the funds. In anticipation of the release of funds, the HCC issued an RFP for a private manager for the temporary fix project. He said they requested a motion to approve the HCC December 2023 financial reports as presented at the BFCC Standing committee meeting.

Chair Kam asked for a motion to approve the HCC financial report. Mr. Arakawa said they should put in the \$64 million. Mr. Arakawa said the sooner they get the expert on board, the better it is. Ms. Orton said they would have the letter by the next Board meeting, where they can discuss it. Mr. McCully asked if the \$64 million was exclusively for the rooftop repair, and Mr. Togashi confirmed that as correct. Mr. McCully made a motion to approve the financial report and update of HCC, and Mr. Arakawa seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

Ms. Orton said all the legislatures were going for an HCC site walk on January 27 because she wanted to show them the rooftop damage. Her ask was going to be that they support the HTA's request. She said they might lose the opportunity to ask for the amount if they wait longer. Mr. McCully asked for the status of the study. Ms. Orton noted there were two. The one was the \$500,000 study by DBEDT, and an updated study done by HVS that the HTA is doing. The study was done to see if they could have a private partner project where they would put a hotel on the rooftop to kill two birds with one stone. They found out in the study that they could not put a hotel on the rooftop as the infrastructure could not support the weight. Mr. Arakawa asked if this expert consultant could justify the \$64 million needed for the project, Ms. Orton said it is the same company HCC initially hired to do the original assessment. They have been around since the HCC building construction and have the history and data of the HCC.

Mr. Arakawa asked what Ms. Orton recommends. She said she recommends asking for \$64 million. \$15 million does not return the rooftop to a fixed status. Ms. Agas asked who made the recommendation for \$64 million. Ms. Orton said she hired a professional company that did a study. They brought in architectural firms to assess the structural damage to the building, and it was their recommendation based on their investigation. This took place a year prior. She said they continue to have issues at the HCC because of the damage, and it cannot be put off anymore. This amount could increase as the quote was from a year ago. Mr. De Fries said he recalled from the consultant's presentation that they had shown the percentage increase for each year that it was delayed. Ms. Orton confirmed that it was a 7% increase. Mr. Ching recalled that the discussion was complicated and confusing, and after deliberation, they had decided on \$64 million. He said it is clear that the HCC needs repair but nothing has happened

about it. Mr. Arakawa said it is prioritized. He said the damaged HCC affects the MCI. Ms. Agas said they should have the proposal from the year prior and would need to revisit the amount that is currently required. She said if Mr. Reyes could quantify the loss of business due to the damage, that could elevate the amount requested.

Mr. McCully asked if the \$15 million is part of the \$64 million. Ms. Orton confirmed that it is a separate amount. The \$15 million was given to them for a temporary repair. Ms. Duarte asked what year the repairs would be completed. Ms. Orton said planning would be in 2023, and construction would not start until 2024.

Chair Kam said the motion was to recommend that the Board supports asking for \$64 million as per the proposal submitted the previous year, which reflects the increase per year for the HCC rooftop repair in the legislative session. Mr. Arakawa made a motion, and Ms. Duarte seconded. Mr. Downing asked if they should add the 7% increase. Mr. De Fries said their proposal has a percentage increase per year. There was a question from an online attendee. They asked Ms. Orton if the roof leaks would prevent the HCC from being able to fulfill its service as an emergency shelter for the public, and she confirmed that as correct.

Mr. Gionson did the roll call, and the motion passed unanimously.

12. Presentation and Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales

Mr. Reyes said it is about reading the customers. He spoke about the WAM committee meeting and said that in sales, accountability is about production. He said they have a short-term plan to get 77 events in the HCC from 2023 to 2027. He gave a production update from December 2022 to date. There were 84,546 city-wide definite room nights for December 2022. He said 2019 was the base year. He said their team had its first year in recovery, and there is an interest and demand in Hawai'i.

He spoke about sales before and after COVID. They are looking at the market segments that could pay the rates, such as medical, engineering, scientific, corporate, etc. He spoke about the pace. In 2022 they had eight bookings, but the pace report said they should be at 16 events, as the average amount of city-wide events was around 16 when they were up and running. In 2023 the target was 9, and there is an increase, but by 2027 they want 27 events. The pace report shows where they should be. Things are picking up.

Mr. Ka'anā'anā asked what the members preferred to see: a table format handout or a graphic with the pace report and the different colors. After discussing, Mr. Ka'anā'anā said he would do

both reports. He spoke about their short-term focus. Strategy for recovery from the 2-year shutdown of HCC: Focus on booking 77 events into the Center for 2023-2027. Larger city-wide event takes up to 8 years to book. Adjusted booking window to fill the Center in the short run, with a focus on smaller events with shorter booking windows. There is an opportunity to close 16 high-probability events for 2023-2027. Mr. Monahan spoke about previous contracts and budget cuts they had to do. He said the contract value is \$4.5 million, and they have started to see production. He said the organized meeting business did very well, but when Safe Travels ended and there were restrictions, activity increased towards the end of the year. He spoke about the 25% reductions. He reiterated that the rooftop does need to be fixed, and they will quantify the data from the lost business reports and work with Ms. Orton to see what they lost from the pipeline.

Mr. Reyes emphasized the importance of timing and fixing the roof. He spoke about the San Diego building that is competition for the HCC. He said they know there is a deficit and are doing what they can to make up the events.

Mr. Arakawa said he had requested the number of events historically as the senate had requested this information. The senate wants them to have over 20 events a year. They are operating 25% down from pre-COVID. He said they need to increase their budget to compete with San Diego, or provide incentives, and they would revert. Ms. Agas said the reports must reflect quality, not quantity. Mr. Ka'anā'anā said it is important for them to look at the quality of events, the timing of the year for the event, and the size of the event that takes place at the HCC. He said the strategy that the Board approved in the March BMP made them rethink their approach to sales, what kinds of events, and what tiers they are in. They have a more mindful approach to booking city-wide events.

13. Discussion and Action on Selection of Legislative and Governmental Affairs Investigative Committee Members

Chair Kam said they have five members. He made a motion to remove himself, leaving them with four members. He requested to add Ms. Duarte and Mr. White. He said the members are Mr. McCully, Ms. Iona, Mr. Rafter, Ms. Duarte, and Mr. White. He will join the members, leaving them with six members. Chair Kam made a motion, and Mr. McCully seconded. Chair Kam did the roll call, and the motion passed unanimously.

14. Adjournment

Chair Kam asked for a motion to adjourn. The motion passed unanimously at 3:29 p.m.

Respectfully submitted,

Sheillane Reyes

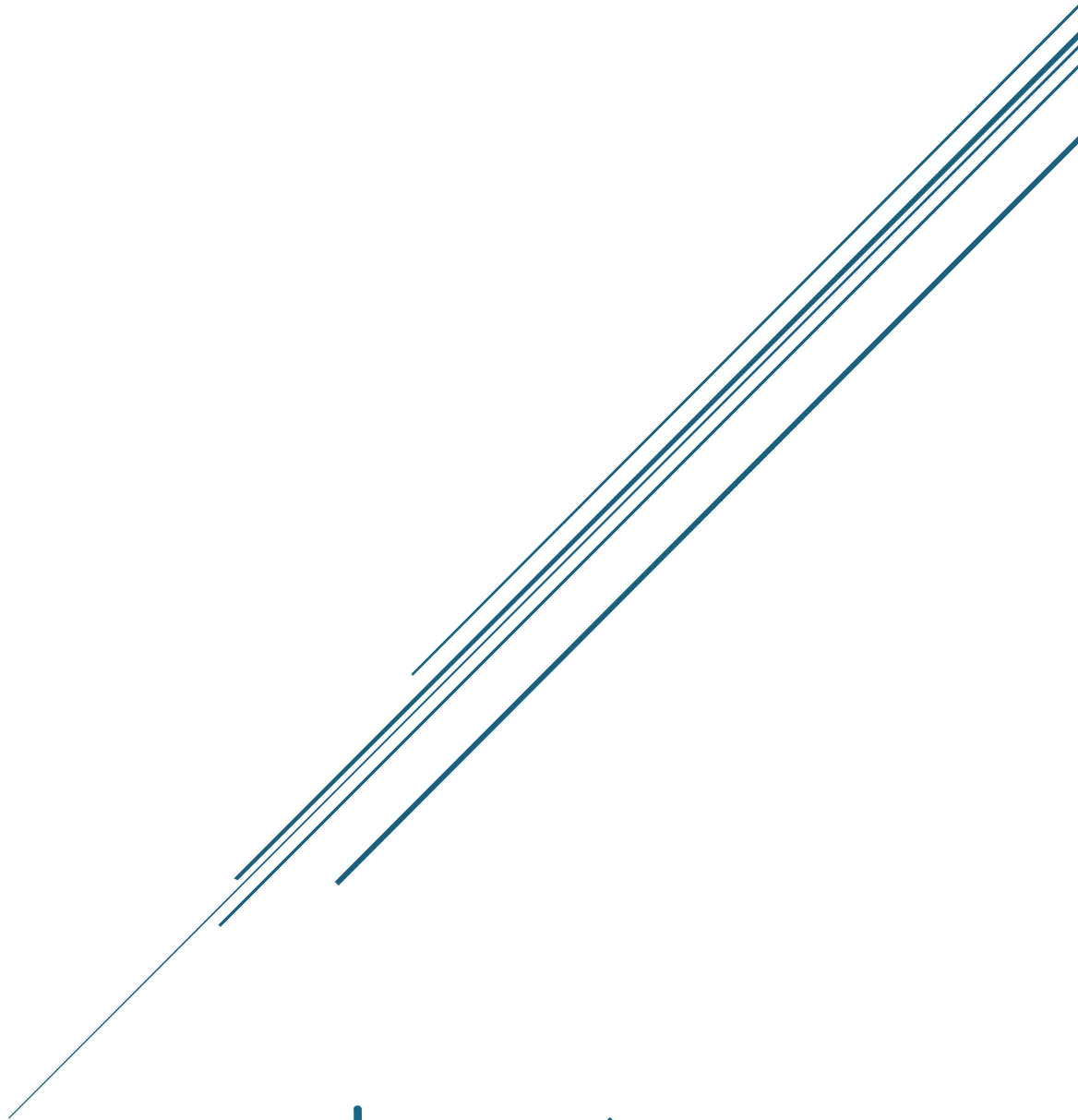
Sheillane Reyes
Recorder

6

Reports of the Chief Executive Officer/
Chief Administrative Office/Chief Brand Officer

HTA CEO REPORT

FEBRUARY 2023



HAWAII TOURISMTM
AUTHORITY

EXECUTIVE SUMMARY

Each month, the Hawai'i Tourism Authority (HTA) provides this report as a resource to the Board and the public to better understand the activities and actions taken by the team in support of the organization's overall mission. HTA's 2025 Tourism Strategic Plan and its four interacting pillars (Natural Resources, Hawaiian Culture, Community, and Brand Marketing) guides the team in the various matters worked on during January 2023. Overall, this report provides insight into the actions conducted by the staff to implement the HTA budget previously approved by the Board.

Through the continued partnership with Hawai'i Community Foundation, HTA is proud to support Aloha 'Āina and Kūkulu Ola programs that help to further our mission of Mālama Hawai'i by giving back to those who care for the land and build community capacity through their work. The Request for Proposals (RFP) for these and other HTA Community Programs will be issued soon for projects taking place in calendar year 2023. An update on programs that took place in calendar year 2022 can be seen in their respective sections below.

In the Community pillar, HTA's partnership with the Hawai'i Visitors and Convention Bureau (HVCB) continues to foster community-based tourism projects that improve and enrich Hawai'i's product offerings with the Community Enrichment Program (CEP). HVCB is in the process of wrapping up the 2022 CEP program final reports and is awaiting contract execution to move forward with issuing the 2023 CEP Request for Proposals (RFP). An update on CEP projects that took place in calendar year 2022 can be viewed in the Community section below.

The Brand team recently released the Request for Proposal for the Hawai'i Tourism Destination Brand Management & Marketing Services for the US Market. The contract will commence on June 1, 2023, offering a transition period from the current contract, and will end on December 31, 2025. The Brand team is also continuing to prepare for several other upcoming RFP releases including the Canada MMA, China MMA, and sports programs. On February 1st and 3rd, the team conducted the first quarter industry partners meetings for Korea, China, Canada, Oceania MMAs. At these meetings, the global marketing contractors presented their 2023 plans.

In the planning area, efforts continued with working with the Destination Managers, counties and other state agencies to move DMAPs' actions forward. Major activities included development and preparation for the Request for Proposal for Support

Services for Destination Stewardship, finalizing the Destination Managers' 2023 workplans and budgets, working with the City & County's Department of Parks & recreation in hosting talk story sessions with bus tour and wedding operators, and finalizing the programmatic measures of performance.

Pursuant to Act 088, HTA's Tourism Research Division (TRD) was transferred to the Department of Business, Economic Development and Tourism's (DBEDT) Research & Economic Analysis Division (READ) effective July 1, 2021, and was renamed the Tourism Research Branch (TRB). TRB published the December 2022 Visitor Statistics press release and monthly reports, an updated air seat outlook for February 2023 – April 2023, the December 2022 Hawai'i Hotel Report, the December 2022 Vacation Rental Performance Report, the Fall 2022 Resident Sentiment Survey Report, and the 2022 Visitor Plant Inventory Report Report. In addition, TRB published weekly Travel Agency Booking Trend reports.

I. CHANGE MANAGEMENT PLAN

Daniel Nāho'opi'i started January 17, 2023 in the Chief Administrative Officer position. We are working to award a recruitment company to search for the Procurement Manager position that has been vacant since January 2022. We also continue to recruit for the Contracts and Administrative Manager, Senior Brand Manager, and Brand Manager positions.

The staff has kept on pace with the HTA Change Management Plan for FY 2023 in the functional areas of: Strategic Planning, Safety, Security & Crisis Response, Stewardship & Standards Setting, and Community Convening. For this month, staff made significant progress under the Stewardship & Standards Setting - Community & Cultural History by reaching a goal where Hawaiian orthography is used on all digital platforms including the GoHawaii website and all print media owned or managed by HTA.

We continue to maintain an open-door policy and make ourselves available to answer questions, and participate in town halls, and other meetings. Responses continue to be positive. We continue to support and facilitate hospitality industry updates with the mayors of all four counties to further connect the government with the industry.

Auditor's Report 2022. The original Auditor's report of 2018 directed 27 recommendations. Of those recommendations, the 2022 Report identified that HTA

implemented five, partially implemented 16, two were not implemented, two HTA did not agree with, and two were found to no longer be applicable. Therefore, HTA has 18 recommendations to address. HTA created an Audit Action Plan with 44 separate actions items that has a completion deadline of May 2023 to fully address the 18 recommendations. The Audit Action Plan was distributed to the Board in January 2023. The CAO has been assigned to oversee the completion of the Audit Action Plan. All five actions with deadlines for January 2023 have been completed. One action with a February 2023 deadline was partially completed. Completed actions included: Completing Performance Evaluation Measures study and integrating measure into current RFPs; obtained access to HCC contractor's accounting software to review receipts; and including the topic of subcontractor approvals into all contract general conditions.

In November 2022, HTA was granted an ARPA subaward of \$35M for FY 2023. This funding is necessary given the Governor's veto of HB1147 that would have provided HTA's FY 2023 general fund appropriation of \$60M. Accordingly, HTA's Board approved a revised FY 2023 budget of \$35M at its November 2023 meeting. This is separate from HTA's allotment of FY 2022 ARPA funds. In January 2023, staff continued to work with the Department of Budget & Finance on the release of funds.

II. NATURAL RESOURCES PILLAR

Aloha 'Āina (Natural Resources) Program (DMAP Action Item)

For Calendar Year (CY) 2022 the Hawai'i Community Foundation (HCF) was contracted by HTA to administer the 2022 Aloha 'Āina program through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha 'Āina Programs. Through this contract, HTA was able to support 31 community-based natural resource programs in 2022 with \$1,575,000 in funding. One awarded project, entitled "Ike Honua O Keahialaka" will occur on the 10-acre property in Nanawale, Puna stewarded by the organization Ho'oulu Lāhui. Through their agroforestry educational center available for both residents and visitors, they're able to provide information on the precious native forest resources as well as the many threats to those resources (invasive species). Virtual and hands-on education on Albizia eradication will occur in collaboration with the Big Island Invasive Species Committee. Walking trails through the native forest with educational signage is to be created. Long term food producing trees such as Ulu (breadfruit) and other canoe plants will cohabit the landscape, creating a model of traditional agroforestry practices that support sustainability. HCF will submit a final report to HTA by March 2023.

The Hawai'i Community Foundation (HCF) will continue to administer the HTA Aloha 'Āina program for calendar year 2023 through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha 'Āina Programs.

The Request for Proposals (RFP) for projects seeking support through the Aloha 'Āina programs will be issued once the supplemental contract with HCF is fully executed. Sign up to receive email updates and announcements of their availability from HTA at: <https://www.hawaiitourismauthority.org/news/news-releases/> More information about the Aloha 'Āina program can be found here: <https://www.hawaiitourismauthority.org/what-we-do/hta-programs/natural-resources/>

Sustainable Tourism Management in Hawai'i Through Certifications, Trainings & Partnerships (DMAP Action Item)

HTA has contracted with the Hawai'i Ecotourism Association, d.b.a. Sustainable Tourism Association of Hawai'i (STAH), to protect Hawai'i's unique natural environment and host culture through the promotion of responsible travel and educational programs relating to sustainable tourism for residents, businesses, and visitors. STAH's focus is on three areas: 1) Sustainable Tour Operator Certification Program, 2) Tour Operator/Tour Guide Training Program, and 3) Educational Outreach/Partnership Development. PON 20134 received a Notice to Proceed from HTA on July 1, 2022. There is currently 46 businesses/organizations enrolled in the program that have been certified in to date. STAH will continue to recruit through social channels, site visits, and certify more businesses in 2023.

III. HAWAIIAN CULTURE PILLAR

Kūkulu Ola Program (DMAP Action Item)

For Calendar Year (CY) 2022 Hawai'i Community Foundation (HCF) was contracted by HTA to administer the 2022 Kūkulu Ola Program through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha 'Āina Programs. Through this agreement, HTA was able to support 32 community-based Hawaiian cultural programs in CY2022 with \$1,475,000 in funding. One project, the MAMo Wearable Art Show, is a signature event of the PA'I Foundation. This art show was postponed due to the Covid 19 pandemic and compounding restrictions but will be taking place in February of 2023. The premier event will feature works of contemporary fashion designers, visual artists, cultural practitioners, musicians and dancers. The event will also include a mākeke

(marketplace where the artists can demonstrate and sell their fashion and artwork). HCF will submit a final report to HTA by March 2023.

For CY2023, the Hawai'i Community Foundation (HCF) will continue to administer the 2023 Kūkulu Ola Program through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha 'Āina Programs. The Request for Proposals (RFP) for projects seeking support through the Kūkulu Ola Program will be issued once the supplemental contract with HCF is fully executed. Sign up to receive email updates and announcements of their availability from HTA at: <https://www.hawaiitourismauthority.org/news/news-releases/> More information about the Kūkulu Ola program can be found here: <https://www.hawaiitourismauthority.org/what-we-do/hta-programs/hawaiian-culture/>.

Native Hawaiian Hospitality Association (DMAP Action Item)

A Notice To Proceed for the Native Hawaiian Hospitality Association's FY22-23 workplan is pending. HTA staff continues to collaborate with NaHHA on existing projects including a Hawaiian music showcase series and the Waikīkī Historic Trail Markers Refurbishment Project. In collaboration with NaHHA, HTA staff are excited to publicly release the most recent Ma'ema'e Toolkit update on February 17, 2023.

The 13th Festival of Pacific Arts and Culture (FESTPAC)

The commission for the 13th FestPAC continues its planning and HTA staff is supporting efforts around marketing, public relations and communications for the festival. . FestPAC Commission meeting agendas and meeting materials are available online at <https://invest.hawaii.gov/international/festival-of-pacific-arts-culture-festpac/>^[OBJ]

'Ōlelo Hawai'i – He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers

E Ola Ka 'Ōlelo Hawai'i! Bishop Museum staff continues to work on Phase II of CON 20195: He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers, which started on April 1, 2022 and will go through March 31, 2023. Phase II will create an entirely new searchable image repository of Hawaiian language newspapers, increasing clarity, readability, and eventual knowledge building capacity—leading to a greater understanding of Hawai'i. During this phase the project staff has increased with two new Nūpepa Technicians and a paper conservator. The technicians have been trained on collection's best practices, indexing/condition reporting specifications, and digitizing with the Digital Transitions Titan hardware and software. The paper conservator works with the project team and Bishop Museum's collections staff on Saturdays to assess and treat newspapers in poor condition, as well as unbind tighter bound newspapers where the text is obscured in the volume's gutter.

During the period of November 26 to December 25, 2022, *He Aupuni Palapala* project team indexed, and condition reported 4,546 pages of nūpepa. Additionally, 1,648 pages were digitized. During the course of cataloging duplicates of the newspaper *Ka Nupepa Kuokoa* a few things caught the eye:

- The pro-annexation *Ka Nupepa Kuokoa*, following the overthrow, includes many illustrations. Some of the woodcuts were imported, others were either custom ordered or more likely designed locally.
- The *Kuokoa* would use foreign and Hawaiian mo'olelo to encourage readership. The illustrations accompanying mo'olelo must have been fascinatingly compelling at the time of their publication—akin to Instagram or Twitter today.
- Where *Kuokoa* had the means to include many illustrations, smaller papers like *Ka Lei Momi* were unable to provide their readership with similar offerings. As an example, *Ka Lei Momi* reused a generic depiction of a rooster. The rooster was first printed to illustrate a series on birds of Hawai'i and was later utilized to illustrate a new article entitled "Ua Ao Hawaii Ua Kani e ka Moa" [Dawn has Come to Hawai'i, the Rooster has Crowed].

Kāhea Greetings (DMAP Action Item)

Airports

HTA is continuing this partnership with DOT Airports Division for October 1, 2022- June 30, 2023, with the execution of Supplemental Contract 21039. DOT is planning a Hawaiian Cultural Training for 900 Airport Staff for Q1 of 2023.

Harbors

HTA is continuing its partnership with the County of Kaua'i, Office of Economic Development from January 1, 2023, to March 31, 2023, with the execution of a no-cost extension for the completion of the proposed improvements to Nāwiliwili harbor. Improvements include a sound system replacement, a mural, and more. The Kāhea Greetings Program for Harbors in Kona and Hilo will be continued in 2023 through exercising options. HTA is looking into programming at Lahaina and Honolulu. ~~The Request for Proposals (RFP) seeking a contractor(s) to support the other harbors (Lahaina, Kona, Hilo, and Honolulu) will be issued soon for FY23.~~

Resort Area Hawaiian Culture Initiative (RAHCI) (DMAP Action Item)

Moving forward into 2023, Resort Area Hawaiian Culture Initiative (RAHCI) was included in the Support Services for the Destination Stewardship RFP that was released on February 13, 2023. RAHCI was paused in 2020 due to the COVID-19 pandemic. Previous programs included: Kūhiō Beach hula, Waikīkī Torch Lighting, Sunset on the Beach in Waikīkī, Hilo Hula Tuesdays, Hawaiian Sunset Saturdays in Kona, and Hawaiian Music Series in Lahaina.

IV. COMMUNITY PILLAR

Community Enrichment Program (CEP) (DMAP Action Item)

HTA contracted with the Hawai'i Visitors and Convention Bureau (HVCB) to administer the Community Enrichment Program for 2022. HTA CON 21038 received the Notice to Proceed from HTA on July 30, 2021 and the CEP RFP was released on September 27, 2021. Informational RFP briefings were held virtually for each island in the following weeks. The deadline for submissions was November 5, 2021. Island-specific evaluation committees reviewed proposals throughout the month of November and met in December to finalize selections and awards. All CEP awardees for CY22 were notified by the end of January 2022 and a press release was issued on February 2, 2022 announcing the 86 total awardees. At year end, 82 CEP projects were successfully executed across the state between January 2022 and December 2022.

The Request for Proposals (RFP) for Calendar Year 2023 projects seeking support through the Community Enrichment Program is anticipated to be issued by the end of Q1 2023. The December 2022 HTA Board of Directors meeting voted to renew HVCB's contract to administer CEP for the 2023 calendar year. HTA staff submitted the procurement paperwork in January 2023 for this contract renewal and is awaiting internal approvals to move forward with execution of the contract.

Government Affairs

Legislative Affairs

On January 12, at the invitation of the Hawai'i Energy Policy Forum, CEO participated in a panel at the forum's annual legislative briefing on the visitor industry's efforts in energy efficiency and HTA's efforts in visitor education to mālama Hawai'i's natural resources.

On January 13, HTA appeared along its fellow DBEDT divisions and attached agencies before the House Committee on Finance to answer questions about the department's budget, which includes HTA's request of \$75 million for FY2023-2024 and \$60 million for FY2024-2025.

On January 17, 30, and 31 HTA appeared before the Senate Committee on Ways & Means for continuations of informational briefings on DBEDT's budget requests, briefings that focused intensely on HTA.

On January 18, HTA leadership attended opening day of the Legislature.

On January 24, House Tourism Chair Quinlan met with HTA staff, department by department to ask questions and get feedback on his measures related to HTA.

Hospitality Industry Updates (County)

HTA recognizes the need to connect with stakeholders from both the public and private sectors to improve awareness and build an understanding of the current state of the visitor industry. As such, HTA staff coordinates with each county to host a quarterly meeting with each county mayor, government officials, association leaders, contract partners and the visitor industry.

An update for Hawai'i Island was held with Mayor Mitch Roth on January 11.

Hospitality industry update meetings are scheduled for Kaua'i with Mayor Derek Kawakami on February 9, O'ahu with Mayor Rick Blangiardi on February 13, and Maui Nui with Mayor Rick Bissen on March 20.

Communication and Outreach

News Releases/Reports/Announcements

- News Release: Statement In Memory of Danny Kaleikini (January 6)
- News Release: Daniel Nāho'opi'i Returns to HTA as Chief Administrative Officer (January 17)
- Report: Hawai'i Hotel Performance Report for December 2022 (January 20)
- Report: Hawai'i Vacation Rental Performance Report for December 2022 (January 25)

News Bureau

- Coordinated and assisted with the following interviews and statements, including:
 - AbFabSkyLife.com, Scott Laird: Ilihia Gionson (IG) quote on how visitors can be mindful when traveling in Hawai'i (January 5)
 - KITV, Erin Coogan: Kalani Ka'anā'anā (KK) interview on economic impact of Aloha Swing and Sony Open (January 10)
 - Honolulu Star-Advertiser, Allison Schaefer: IG quote on HTA response to DBEDT budget briefing hearing regarding HTA's operating budget request (January 20)
 - AAA Hawai'i, Rachel Ng: IG quote on importance of preserving and perpetuating Hawaiian culture and supporting community-based programs (January 20)

- Honolulu Star-Advertiser, Allison Schaefer: KK quote on importance of surfing for story on economic impact in the wake of The Eddie (January 24)
- Hawai'i News Now, Daryl Huff: Drafted John De Fries (JDF) quote following January board meeting regarding update on RFPs for U.S. Brand Management and Destination Management Support Services (January 26)
- Assisted with the following media relations:
 - @ivanmln, Ivan Meloni (Italy): Reviewed and declined social influencer partnership request. (January 4)
 - Booking With Kids, Tracy Ann Farrugia (UK): Reviewed media request to feature Hawai'i and provided links to GoHawai'i website, Mālama Hawai'i program and family-friendly recommendations. (January 20)
 - Travel Feels, Max Schoeber (Netherlands): Reviewed and declined request to support film project. Provided state and county film offices for film permits and pertinent information. (January 20)
 - @travelooptimizer, Nina and Tom Von (Germany): Reviewed and declined social influencer partnership request. (January 20)
 - Pandataria Film, Rossana Mammonati (Italy): Reviewed request to support the production of two documentaries in Hawai'i. Provided state and county film offices for film permits and pertinent information. (January 20)
 - @Nesuxi, Inês Faria (International): Reviewed and declined social influencer partnership request. (January 20)
 - Akhil Bakshi, Shiva Shankar (India): Reviewed and declined request to provide hosted travel support for Mr. Bakshi's writing tour. (January 20)
 - USA Today, David Brook: Fielded Hawai'i advertising inquiry for the publication's Go Escape Travel Guide and directed him to Hawai'i Tourism USA's media team. (January 31)

Community Initiatives And Public Outreach

- HTA E-Bulletin
 - Drafted copy, edited, created layout and distributed January 2023 HTA e-Bulletin in English. Created layout for HTA e-Bulletin in 'Ōlelo Hawai'i.
 - Provided recommendations to balance content within each pillar and rotate Global Marketing Team content bi-monthly.
 - Drafted and included John De Fries message highlighting the December 2022 visitor statistics and HTA's KPI of visitor spending.
- Hawai'i Tourism Conference

- o Distributed post-event e-blast to recap the conference and share the Global Marketing Team presentations available on HTA's website. (January 3)
- Kailua Road Improvement Project
 - o Drafted and distributed e-blast notifying the public of road work and parking restrictions in Kailua and Ka'ōhāo (Lanikai). Also shared information on social media. (January 13)
- Mahina 'Ōlelo Hawai'i (Hawaiian Language Month)
 - o Provided recommended content strategy to normalize and highlight the Hawaiian language throughout the month of February.
- Destination Management Action Plans
 - o Discussed HTA's Holomua microsite highlighting destination management progress and collective efforts.
- Hawai'i Energy Policy Forum
 - o Reviewed JDF talking points for January 12 forum at the University of Hawai'i at Mānoa.
- HTA Annual Report
 - o Drafted communications section of annual report.
- 2023 Legislative Session
 - o Provided message points on Hawai'i tourism to Senator DeCoite.
 - o Monitored committee hearings and briefings pertaining to HTA and the visitor industry throughout the month.

Crisis/Issues Management

- Drafted and distributed e-blast and social post advised the public and travelers of a Federal Aviation Administration system outage that temporarily grounded flights. (January 11)

HTA's Social Media

- Managed social media calendar, drafted, and scheduled posts on HTA's Facebook, Instagram and Twitter accounts. Also monitored and responded to direct messages and post comments.

Paid Posts on Facebook and Instagram

- Post on Moloka'i Needs Assessment Survey Meeting. Flight dates from January 27 – 30.
 - o Total Impressions: 10,234
 - o Total Reach: 2,298
 - o Total Engagements: 135

Facebook

- Number of followers: 20,566 (+11%)
- Engagement rate: 5.2%
- Number of engagements: 2,167 (+31.1%)
- Posts: 30

Instagram

- Number of followers: 8,113 (+28.9%)
- Engagement rate: 4.2%
- Number of engagements: 779 (-45.7%)
- Posts: 28

Twitter

- Number of followers: 42,166 (+7.8%)
- Engagement rate: 1.5%
- Number of engagements: 565 (-16.4%)
- Posts: 30

Linktree

- Views: 61
- Clicks: 29
- Clickthrough rate (CTR): 47.54%

Safety and Security

Visitor Assistance Program (VAP)

Contracts with the four county chapters were executed on December 24, 2022. Each is awaiting a Notice to Proceed before resuming their efforts.

V. BRAND MARKETING PILLAR

Major Market Area (MMA)

MMA RFP / Contract Status

- China MMA: 2023 January to June six month extension has been fully executed as of 12/28/22. HTA issued the Notice to Proceed on 2/3/23.
- Japan MMA: 2023 contract has been fully executed as of 1/11/23. HTA's Notice to Proceed is pending release of ARPA funds by B&F.

- Canada MMA: 2023 January to June six month extension has been fully executed as of 12/28/22. HTA's Notice to Proceed is pending release of ARPA funds by B&F.
- Korea MMA: 2023 January to June six month supplemental contract has been fully executed as of 12/30/22. HTA's Notice to Proceed is pending release of ARPA funds by B&F.
- Oceania MMA: supplemental contract for 2023 is pending. HTA Staff are working through internal processes to execute a supplemental agreement.
- USA MMA and Global Support Services: HTA has extended the current USA MMA contract and the Global Support Services contract for another six months ending March 2023. The Request for Proposal was recently issued for the Hawai'i Tourism Destination Brand Management & Marketing Services for the US Market. The contract will commence on June 1, 2023, offering a transition period from the current contract, and will end on December 31, 2025. The existing contract for this work is expected to end on June 30, 2023, subject to contract extension approval from the State Procurement Office.

Other Branding Projects

Pono Travel Education Program (DMAP Action Item)

Beginning April 18 airports across Hawai'i began sharing Pono Travel Education messaging on static banners and digital screens to reach our traveling public passing through. Each location was strategically placed to reach the most people – both malihini and kama'āina - reminding us of our collective kuleana to Hawai'i, the land, culture, and each other while here. Beginning in June there was an increase in messaging placements, including some QR code inclusions on new digital screens at Daniel K. Inouye International Airport, frequency to meet the uptick in travel during the Summer period, and inclusion of Ocean Safety video messages.

During HTA's contract term at the Daniel K. Inouye International Airport In-Ter-Space Services displayed HTA's messaging on a mixture of printed and digital banners totaling 103 units and 1,848 hours of messaging. Daniel K. Inouye International Airport averages 60.9 million impressions for its advertisements annually. Based on the contractor's GEOPATH Market Share data these locations receive the following viewership from each airline carrier: Hawaiian (8.05%); United (16.02%); Southwest (14.55%); American (9.48%); Delta (8.28%); and other (8.05%). HTA's contract with Hawai'i Airport Advertising at neighbor island airports will continue through next year June.

While our contract with In-Ter-Space Services at the Daniel K. Inouye International Airport ended at the end of October, HTUSA has continued Kuleana Travel messaging through its contract, which began in December 2022 and will run through the end of

March 2023, and that added to the ongoing statewide reinforcement of this messaging via optimal and timely touch points in their travel journey (in-room, on shuttles, social media, and mobile devices). The following impressions were gained for each of the partners: Spectrum (in-room and shuttle): 3,575,115; NMG (shuttle): 150,131; Roberts (shuttle): 23,723; Facebook (social media): 485,889; Instagram (social media): 541,274; Waze (mobile devices): 429,018; and Daniel K. Inouye International Airport: 858,851.

Hawai'i Tourism Conference 2022 Presented by Hawaiian Airlines

The Hawai'i Tourism Conference 2022 Presented by Hawaiian Airlines final report has been turned in and is currently being reviewed.

Spring Tourism Update 2023

The Spring Tourism Update date has moved to the middle of April at the Hawai'i Convention Center, a save the date will be sent soon once planning is a bit firmer. Logistics are still being finalized to the schedule, keynote speakers, panel sessions, main topics for discussion, and speakers for general sessions.

Sports Programs

Sports Initiatives

PGA Tour's "Aloha Swing" returned to the islands in January. With the Sentry Tournament of Champions on Maui, The Sony Open in Hawai'i on O'ahu and the Mitsubishi Electric Championship on the Island of Hawai'i. The economic impact to the state and local economies is substantial, The PGA TOUR estimates that in 2022 their events generated \$101 Million, using the DBEDT calculator that number rises to \$118 million. In 2023 and beyond, that number will increase as Sentry Tournament of Champions has become an "Elevated Event" with an increased field of players and additional production staff. These tournaments allow the state to engage with the international and domestic target-market audiences. In terms of marketing exposure, the broadcasts are currently available in over 1 billion households and over 200 countries and territories. In 2022 the media value generated from these tournaments exceeded \$240 million. Through the partnership, PGA TOUR player vignettes are produced each year by PGA TOUR Entertainment to showcase professional golfers engaging with Hawaii off-course in diverse attractions that celebrate the land's cultural uniqueness. Finally, the community support generated by the tournaments is also impressive. With the new First Tee/Hawai'i Junior Golf relationship with the Ala Wai Golf Course. It is a natural fit to set up Junior clinics at Ala Wai with pros here for the Sony Open. It is also important to note that these are three separate events, and all the sponsors engage with the three communities in many ways. Since the PGA TOUR began hosting events in Hawai'i, they have contributed over \$35 million dollars in

charitable giving to local organizations. Additionally, the following entities approached HTA for discussions regarding potential partnerships: San Francisco Giants, Crystal Palace FC, LA Clippers, Hawai'i island Pro-Am, Real Madrid FC.

Brand Team Events/Meetings - (January)

Event Date	Event	HTA Attendee(s)	Non-HTA Attendee(s)
1/4	Hi'iaka Project Discussion	CBO	Adrian Kamali'i, Michael Jackowitz
1/5	PATA Induction Ceremony	CBO	PATA Members
1/12	Kealakai Center for Pacific Strings Meeting	CBO	Ha'alilio Solomon, Kilin Reece
1/12	Airlines For America	CBO, READ Director of Research	American Airlines, Delta Airlines, Alaska Airlines, United Airlines, Southwest Airlines, Hawaiian Airlines, Airlines For America
1/13	HTA x Clippers	CBO, BM	Clippers Staff
1/18	Hokkaido Delegation Visit	CBO, CAO, SBM	Hokkaido Delegation
1/19	Hokkaido and Yamaguchi Prefectures Sister-State Reception	CBO	Various
1/20	Follow-up Meeting with Kealakai Center for Pacific Strings	CBO	Ha'alilio Solomon, Kilin Reece
1/25	Visa Waiver Program Meeting	CBO	George Minamishin, Christopher Hawkins, Scott Heatherly, James Lee
1/27	Reservation System Discussion	CBO, Director of Planning	Tonga Hopoi
1/31	PATA 2023 Annual Outlook and Economic Forecast Forum	SBM, Director of Tourism Research	PATA Members

VI. PLANNING DIVISION

Destination Management Action Plans (DMAPs)

Below is an update on activities undertaken by the planning section to support the implementation of the various DMAPs.

- The Planning team's focus in the month of January was the development and preparation of the Request for Proposal for Support Services for Destination Stewardship.
- The Planning team met with the Destination Managers to review and finalize their workplans and budgets for 2023. The Destination Managers primary focus in January was closing out all the 2022 Community Enrichment Programs' files in preparation for the upcoming 2023 competitive solicitation.
 - Kauai DMAP
 - The Kaua'i destination manager worked on preparing and issuing a solicitation for Hawaiian cultural projects that fell in the February through March time period. Awards to be made in February. Community outreach was also done with radio spots to highlight the Kaua'i DMAP as well as HI Now segments also highlighting DMAP efforts. Discussion also took place in building out the list of cultural practitioners and
 - Maui Nui DMAP
 - The Maui Nui destination manager discussed next steps with members of the East Maui Advisory Group and set up a meeting in early February. She also worked with the Moloka'i Task Force Subject Matter Committee on action item A.2 regarding messaging to visitors. In addition, she liaised with members from the Lāna'i Advisory Group and set up a meeting at the end of February.
 - Hawai'i Island DMAP
 - The Hawai'i Island destination manager worked on preparing and issuing a solicitation for projects that fell in the February through April time period. Awards to be made in February. The destination manager also worked with the County on signage and possibility of additional info officers at Waipi'o Valley Lookout. Signage to replace what is currently there at the Lookout is set to be in place by Q2 2023.

- O'ahu DMAP
 - The O'ahu destination manager worked on finalizing the getaroundoahu.com website and prepped with the City for the O'ahu Good Food Show to be held in February. She also did community outreach by presenting the O'ahu DMAP at various association meetings.
- The Director of Planning met with the County of Maui's new director at the Office of Economic Development, Luana Mahi, to brief her on Maui Nui's DMAP.
- The planning team worked with the City & County of Honolulu's Department of Parks & Recreation to hold "talk story" sessions (January 30, 31 and February 1) with O'ahu's tour bus operators and wedding operators. At the request of the Mayor and the Honolulu City Council, DPR is drafting a bill for a comprehensive island-wide regulation of commercial and non-commercial activities at City & County's beach parks. To balance the concerns of our residents, the needs of our businesses, and creating a positive experience for park users, DPR is in the process of gathering input in developing this legislation. HTA helped to facilitate the conversation. HTA's Brand team and OVB provided lists of operators to invite. The planning team also reached out to the Hawai'i Transportation Association to help spread the invite to their members.
- HTA hosted an Informational Briefing on the Moloka'i Destination Management Action Plan's (DMAP) Needs Assessments on January 30. The needs assessments are targeted at businesses and non-profits who are looking to grow or transition into new areas that can offer desired experiences and services to visitors and provide more job stability to Moloka'i residents. The data gathered from the needs assessments will be used to: 1) create up-to-date databases of Moloka'i businesses and non-profit organizations; and 2) identify areas that assistance and support are needed to help Moloka'i businesses and organizations thrive. The survey is closing on February 10.

Program Evaluation

Staff worked with its contractor, SMS Research, to finalize its program evaluation measures and monitoring process. Next steps include development of a database and creation of a reporting mechanism for HTA's program. This addresses the Audit Report's recommendation to establish evaluation and performance criteria for inclusion in contracts.

EDA Travel, Tourism and Outdoor Recreation Non-Competitive Grant

HTA is still awaiting approval from EDA on the revised Grant Administration Plan and accompanying forms. Staff continued to liaise between EDA and DLNR on DLNR's construction project.

VII. TOURISM RESEARCH

Pursuant to Act 88, the Tourism Research Division (TRD) was transferred to DBEDT's Research & Economic Analysis Division (READ) effective July 1, 2021 and was renamed the Tourism Research Branch (TRB).

TRB issued the December 2022 monthly visitor statistics on January 30, 2023, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area. The press release was issued by DBEDT, distributed by HTA, and the files were posted on the Monthly Visitor Statistics page on HTA's and DBEDT's websites.

TRB posted updates to Seat Outlook data tables for February 2023 through April 2023 to the Infrastructure Research Section of the HTA website and the Air Seats Capacity Outlook page of the DBEDT website. This report also includes flight information and comparisons to 2019.

State, market, and island fact sheets were updated with the December 2022 data and were published on the Monthly Visitor Statistics page of the HTA website and the Island Highlights and Market Highlights pages on the DBEDT website.

TRB issued the December 2022 Hawai'i Hotel Performance Report on January 20, 2023. The report and related December 2022 data tables were posted to the Infrastructure Research page of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

TRB issued the December 2022 Hawai'i Vacation Rental Performance Report on January 25, 2023. The report and related December 2022 data tables were posted to the Infrastructure Research page of the HTA website and the Vacation Rental Performance page of the DBEDT website. This report utilizes data compiled by Transparent Intelligence, Inc. for DBEDT.

The summarized results of the Fall 2022 Resident Sentiment Survey were presented to the HTA Board by Chris Kam of Omnitrak Group. The full report is posted on the

Evaluation & Performance Measures section of the HTA website and the Resident Sentiment Survey Report page of the DBEDT website.

TRB issued the 2022 Visitor Plant Inventory, which is an inventory of accommodations in the State of Hawai'i. The report and companion 2022 VPI List of Properties are posted on the Visitor Plant Inventory pages of the HTA and DBEDT websites.

TRB continued to work with the State Attorney General's office to analyze visitor data related to the impacts of the national travel ban on inbound travel from seven affected countries.

Jennifer Chun hosted the Installation Ceremony of a permanent name plaque in the Pacific Asia Travel Association Gallery of Legends for Alwin Zecha, Founder of the Pacific Leisure Group on January 5, 2023. Deputy Director of DOT Airports Division Jimmy Tokioka gave remarks and Kalani Ka'anā'anā also attended. Chun is on the international board for PATA and the chair of the PATA Hawai'i Chapter.

Kalani Ka'anā'anā, Jeffrey Eslinger, and Jennifer Chun met with the Airlines for America Government Committee members on January 12, 2023.

Jennifer Chun represented HTA at the TRUE Committee meeting on January 18, 2023.

Jennifer Chun represented HTA at the U.S. Travel Association Research Advisory meeting on January 25, 2023.

Jennifer Chun hosted the Pacific Asia Travel Association Hawai'i Chapter and Travel Tourism Research Association Hawai'i Chapter 2023 Annual Outlook Forum and the PATA Hawai'i Student Forum, both on January 31, 2023. Jeffrey Eslinger of HVCB moderated the lunch session featuring Deputy Director of DOT Airports Division Jimmy Tokioka. Chun is on the international board for PATA and the chair of the PATA Hawai'i Chapter. She is also an officer for TTRA Hawai'i.

TRB continues to reply to requests for information from HTA's Global Marketing Team, industry, media, and the general public. Data requests completed include:

- Additional detailed visitor statistic data for UHERO and DBEDT/READ for their databases, and the monthly data requests.
- Research inquiries routed through DBEDT.

VIII. ARPA UPDATE

HTA was provided American Rescue Plan Act (ARPA) funds during the 2021 Legislative Session. Our team continues to engage with the State’s Department of Budget and Finance (B&F) to process requests to access ARPA funds in support of our programs. As part of that process, we engage with B&F to discuss these requests in an attempt to expedite the release of funds. This has now become a regular part of our process in supporting the financial needs of the organization.

To date, we have submitted requests to B&F for the release of funds of approximately \$52.7 million, all of which has been approved through December 2022. Relating to the Convention Center’s ARPA funding, \$11 million has been approved by B&F for release. Staff has discussed with B&F the reallocation of funds from the original intended purpose of using the majority of the \$11 million toward major repair and maintenance projects at the Convention Center, to now using the funds for the Convention Center’s FY 2023 operations – a shift that was necessary with HB1147, 2022 Legislative Session, now vetoed by the Governor.

Regarding HTA’s FY 2023 funding, staff has worked with former Governor Ige’s administration on the release of funds. In November 2022, HTA was granted an ARPA subaward of \$35M for FY 2023. This funding is necessary given the Governor’s veto of HB1147 that would have provided HTA’s FY 2023 general fund appropriation of \$60M. Accordingly, HTA’s Board approved a revised FY 2023 budget of \$35M at its November 2023 meeting. This is separate from HTA’s allotment of FY 2022 ARPA funds.

IX. ADMINISTRATIVE

Contracts List: Pursuant to Hawai’i Revised Statutes §201B-7 (9), please note that there one contract executed during the month of January 2023.

Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
22014 S2	North Star Research Corp. dba HVS Convention, Sports & Entertainment Facilities Consulting	Market/Future Study of the Hawai’i Convention Center (Update)	0.00	\$50,000.00	2/2/2023	3/31/2023

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* Sole Source

† Procurement Exemption

X. APPENDICES

7

Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets

7.1

December Market Insights

Market Insights – December 2022

The HTA Monthly Market Insights reports on the most recent key performance indicators that the Hawai'i Tourism Authority (HTA) uses to measure success. The following measures provide indicators of the overall health of Hawai'i's visitor industry and help to gauge if the HTA is successfully attaining its goals.

Report on Economic Impact

Prior to the global COVID-19 pandemic, Hawai'i achieved record-level visitor expenditures and arrivals in 2019 through February 2020. On March 26, 2020, the state implemented mandatory quarantine and travel restrictions. Subsequently, nearly all trans-Pacific and interisland flights were canceled, cruise ship activities were suspended and tourism to the islands all but shut down. In October 2020, the state initiated the Safe Travels program, which allowed travelers to bypass quarantine if they had a valid negative COVID test. Through March 25, 2022, domestic passengers could bypass the state's mandatory self-quarantine if they were vaccinated or have a negative COVID pre-travel test. The Safe Travels Program ended on March 26, 2022. In December 2022, there were no travel restrictions for passengers arriving to Hawai'i on domestic direct flights from the U.S. Mainland or for passengers arriving on direct international flights.

For all of 2022, Hawai'i's tourism economy experienced:

- Total visitor spending: \$19.29 billion, up 8.9 percent from \$17.72 billion in 2019.
- Visitor arrivals: 9,247,848 visitors, down 11.0 percent from 10,386,673 visitors in 2019.
- For FY2023 Through December 2022, the state collected \$421.8 million in TAT, up 32.0 percent compared to \$319.7 million collected in FY 20 through December 2019 (Preliminary data from Dept of Taxation).
- Air service: 60,153 trans-Pacific flights and 12,745,630 seats to the Hawaiian Islands, compared to 61,778 flights (-2.6%) and 13,619,247 seats (-6.4%) in 2019.

Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – 2022 vs. 2021

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	47.0%	13,127.0	19,291.2	18,997.5
Daily Spend (\$PPPD)	12.6%	201.0	226.2	223.2
Visitor Days	30.6%	65,312,274	85,265,480	85,108,883
Arrivals	36.4%	6,777,760	9,247,848	9,113,305
Daily Census	30.6%	178,938	233,604	233,175
Airlift (scheduled seats) ^	32.4%	9,606,116	12,722,368	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 2: Overall Key Performance Indicators – Total (Air + Cruise) – 2022 vs. 2019

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	8.9%	17,716.1	19,291.2	18,997.5
Daily Spend (\$PPPD)	15.4%	196.1	226.2	223.2
Visitor Days	-5.6%	90,360,946	85,265,480	85,108,883
Arrivals	-11.0%	10,386,673	9,247,848	9,113,305
Daily Census	-5.6%	247,564	233,604	233,175
Airlift (scheduled seats) ^	-5.9%	13,524,164	12,722,368	N/A

*DBEDT 2022 annual forecast (Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Figure 1: Monthly Visitor Expenditures (\$mil) – 2022 vs. 2021

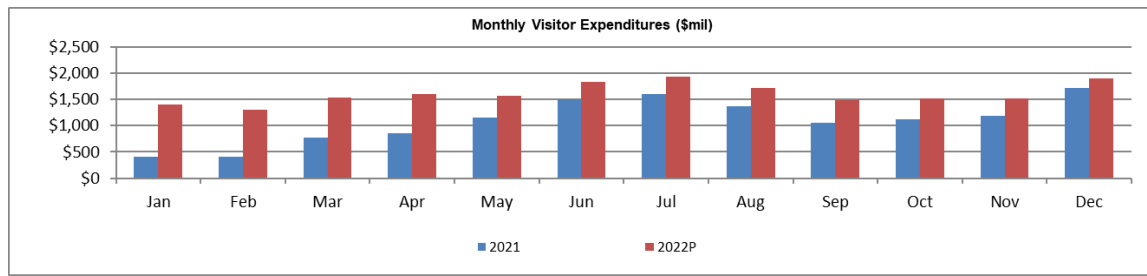
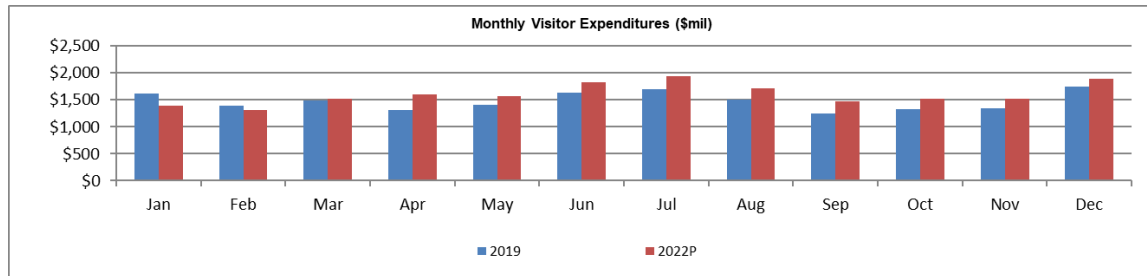


Figure 2: Monthly Visitor Expenditures (\$mil) – 2022 vs. 2019



Major Market Areas (MMAs)

USA

Table 3: Key Performance Indicators - U.S. Total (2022 vs. 2021)

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	📈 31.2%	12,317.9	16,166.1	16,236.3
Daily Spend (\$PPPD)	📈 14.8%	201.1	230.8	227.9
Visitor Days	📈 14.4%	61,249,727	70,044,466	71,234,186
Arrivals	📈 20.0%	6,468,899	7,760,131	7,850,503
Daily Census	📈 14.4%	167,807	191,903	195,162
Airlift (scheduled seats) ^	📉 8.2%	10,238,721	11,076,479	11,116,554

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 4: Key Performance Indicators - U.S. Total (2022 vs. 2019)

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	📈 38.9%	11,636.2	16,166.1	16,236.3
Daily Spend (\$PPPD)	📈 22.6%	188.3	230.8	227.9
Visitor Days	📈 13.4%	61,786,807	70,044,466	71,234,186
Arrivals	📈 12.9%	6,871,839	7,760,131	7,850,503
Daily Census	📈 13.4%	169,279	191,903	195,162
Airlift (scheduled seats) ^	📈 13.6%	9,746,790	11,076,479	11,116,554

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change

- Real gross domestic product (GDP) increased at an annual rate of 3.2 percent in the third quarter of 2022, in contrast to a decrease of 0.6 percent in the second quarter, primarily reflecting increases in exports and consumer spending that were partly offset by a decrease in housing investment.
- Consumer confidence increased in December 2022 following back-to-back monthly declines probably due to consumers' more favorable view regarding the economy and jobs and inflation expectations retreating to their lowest levels since September 2021, with recent declines in gas prices. The Index now stands at 108.3 (1985 = 100), which is up from 101.4 in November 2022. The Present Situation Index based on consumers' assessment of current business and labor market

conditions increased to 147.2 from 138.3 last month, and the Expectations Index has improved to 82.4 from 76.7.

US WEST

Table 5: Key Performance Indicators - U.S. West (2022 vs. 2021)

		YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	25.7%	7,994.4	10,052.9	9,946.1
Daily Spend (\$PPPD)	↑	12.9%	195.5	220.7	216.5
Visitor Days	↑	11.4%	40,900,008	45,558,089	45,934,614
Arrivals	↑	18.2%	4,473,588	5,286,825	5,312,878
Daily Census	↑	11.4%	112,055	124,817	125,848
Airlift (scheduled seats) ^	↔	9.2%	8,989,207	9,813,512	9,849,899

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 6: Key Performance Indicators - U.S. West (2022 vs. 2019)

		YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	44.6%	6,952.0	10,052.9	9,946.1
Daily Spend (\$PPPD)	↑	26.2%	174.9	220.7	216.5
Visitor Days	↑	14.6%	39,752,689	45,558,089	45,934,614
Arrivals	↑	15.0%	4,595,319	5,286,825	5,312,878
Daily Census	↑	14.6%	108,911	124,817	125,848
Airlift (scheduled seats) ^	↑	14.6%	8,564,295	9,813,512	9,849,899

**DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- In December 2022, 447,605 visitors arrived from the U.S. West, an increase of 6.9 percent compared to 418,520 visitors in December 2019. U.S. West visitors spent \$910.0 million in December 2022, up 30.4 percent from \$697.6 million in December 2019. Daily spending by U.S. West visitors in December 2022 (\$226 per person) was much higher compared to December 2019 (\$180 per person, +25.4%).
- For all of 2022, there were 5,286,825 visitors from the U.S. West compared to 4,595,319 visitors (+15.0%) in 2019. The average length of stay by U.S. West visitors in 2022 was 8.62 days, comparable to 8.65 days (-0.4%) in 2019. U.S. West visitors spent \$10.05 billion in 2022 compared to \$6.95 billion (+44.6%) in 2019. The average daily visitor spending in 2022 was \$221 per person, up considerably from \$175 per person (+26.2%) in 2019.

US EAST

Table 7: Key Performance Indicators - U.S. East (2022 vs. 2021)

		YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	41.4%	4,323.5	6,113.2	6,290.2
Daily Spend (\$PPPD)	↑	17.5%	212.5	249.7	248.6
Visitor Days	↑	20.3%	20,349,720	24,486,377	25,299,572
Arrivals	↑	24.0%	1,995,311	2,473,306	2,537,626
Daily Census	↑	20.3%	55,753	67,086	69,314
Airlift (scheduled seats) ^	↔	1.1%	1,249,514	1,262,967	1,266,655

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 8: Key Performance Indicators - U.S. East (2022 vs. 2019)

		YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	30.5%	4,684.2	6,113.2	6,290.2
Daily Spend (\$PPPD)	↑	17.4%	212.6	249.7	248.6
Visitor Days	↑	11.1%	22,034,119	24,486,377	25,299,572
Arrivals	↔	8.6%	2,276,520	2,473,306	2,537,626
Daily Census	↑	11.1%	60,367	67,086	69,314
Airlift (scheduled seats) ^	↔	6.8%	1,182,495	1,262,967	1,266,655

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- There were 228,459 visitors from the U.S. East in December 2022, a 6.1 percent growth from the 215,358 visitors in December 2019. U.S. East visitors spent \$608.0 million in December 2022, up 24.5 percent from \$488.3 million in December 2019. Daily spending by U.S. East visitors in December 2022 (\$259 per person) increased in comparison to December 2019 (\$218 per person, +19.0%).
- For all of 2022, 2,473,306 visitors arrived from the U.S. East, compared to 2,276,520 visitors (+8.6%) in 2019. The average length of stay by U.S. East visitors in 2022 was 9.90 days, up slightly from 9.68 days (+2.3%) in 2019. U.S. East visitors spent \$6.11 billion in 2022 compared to \$4.68 billion (+30.5%) in 2019. Daily visitor spending in 2022 rose to \$250 per person compared to \$213 per person (+17.4%) in 2019.

JAPAN

Table 9: Key Performance Indicators – Japan (2022 vs. 2021)

		YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	477.9%	65.1	376.3	468.1
Daily Spend (\$PPPD)	↔	5.7%	220.9	233.5	231.2
Visitor Days	↑	446.9%	294,720	1,611,798	2,024,134
Arrivals	↑	954.9%	18,936	199,760	209,890
Daily Census	↑	446.9%	807	4,416	5,546
Airlift (scheduled seats) ^	↑	263.6%	131,766	479,146	481,092

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 10: Key Performance Indicators – Japan (2022 vs. 2019)

		YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↓	-83.3%	2,248.3	376.3	468.1
Daily Spend (\$PPPD)	↔	-3.4%	241.6	233.5	231.2
Visitor Days	↓	-82.7%	9,306,767	1,611,798	2,024,134
Arrivals	↓	-87.3%	1,576,205	199,760	209,890
Daily Census	↓	-82.7%	25,498	4,416	5,546
Airlift (scheduled seats) ^	↓	-76.0%	1,999,204	479,146	481,092

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- There were 36,988 visitors from Japan in December 2022 compared to 136,635 visitors (-72.9%) in December 2019. Visitors from Japan spent \$62.8 million in December 2022 compared to \$210.9 million (-70.2%) in December 2019. Daily spending by Japanese visitors in December 2022 (\$239 per person) was lower compared to December 2019 (\$260 per person, -8.0%).
- For all of 2022, there were 199,760 visitors from Japan compared to 1,576,205 visitors (-87.3%) in 2019. The average length of stay by Japanese visitors in 2022 was 8.07 days, much longer compared to 5.90 days (+36.7%) in 2019. Visitors from Japan spent \$376.3 million in 2022 compared to \$2.25 billion (-83.3%) in 2019. Daily visitor spending in 2022 decreased to \$233 per person from \$242 per person (-3.4%) in 2019.
- Japan's November 2022 consumer price index was 3.7 percent higher compared to 2021. Japan's per capita nominal GDP is \$39,803, ranking 20th among 38 member countries of the Organization

for Economic Co-operation and Development (OECD). The real GDP growth rates for FY2022 and FY2023 are projected to be 1.7 percent and 0.8 percent, respectively.

- The consumer price index in November 2022 rose 3.7 percent, the highest level in 40 years and 11 months due to impact of yen depreciation and high resource prices. On the other hand, the average amount of winter bonuses paid by major companies increased by 8.9 percent from the previous year, the first increase in three years, indicating that the economy is recovering.
- According to the October 2022 household budget survey, households with two or more people spent 298,006 yen, up 1.2 percent from October 2021. Consumption of travel-related services increased, with lodging fee by 59.2 percent and domestic package tour costs by 58.7 percent. Nationwide travel support program will continue in 2023. The effect of boosting consumption is expected to reach 246 billion yen by the end of March 2023.
- The 50th Honolulu Marathon, sponsored by Japan Airlines was held on December 11, 2022. A total of 28,411 people participated, of which 5,469 were Japanese participants, a significant increase from 181 Japanese participants in 2021.

CANADA

Table 11: Key Performance Indicators – Canada (2022 vs. 2021)

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	285.8%	240.6	928.2	876.2
Daily Spend (\$PPPD)	6.8%	176.4	188.3	182.4
Visitor Days	261.2%	1,364,326	4,928,356	4,802,897
Arrivals	354.9%	87,900	399,869	379,885
Daily Census	261.2%	3,738	13,502	13,159
Airlift (scheduled seats) ^	247.6%	140,178	487,215	487,215

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 12: Key Performance Indicators – Canada (2022 vs. 2019)

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	-14.2%	1,081.5	928.2	876.2
Daily Spend (\$PPPD)	14.1%	165.0	188.3	182.4
Visitor Days	-24.8%	6,554,493	4,928,356	4,802,897
Arrivals	-26.0%	540,103	399,869	379,885
Daily Census	-24.8%	17,958	13,502	13,159
Airlift (scheduled seats) ^	0.5%	484,613	487,215	487,215

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- In December 2022, 58,361 visitors arrived from Canada compared to 64,182 visitors (-9.1%) in December 2019. Visitors from Canada spent \$136.2 million in December 2022, compared to \$129.6 million (+5.1%) in December 2019. Daily spending by Canadian visitors in December 2022 (\$191 per person) increased compared to December 2019 (\$159 per person, +20.0%).
- For all of 2022, there were 399,869 visitors from Canada compared to 540,103 visitors (-26.0%) in 2019. The average length of stay by Canadian visitors in 2022 was 12.32 days, up slightly from 12.14 days (+1.6%) in 2019. Visitors from Canada spent \$928.2 million in 2022, compared to \$1.08 billion (-14.2%) in 2019. Daily visitor spending in 2022 rose to \$188 per person from \$165 per person (+14.1%) in 2019.
- The Canadian economy had a good third quarter 2022, recording roughly 3 percent growth. This caught many including the Bank of Canada, off-guard and extends an impressive streak of abovetrend economic growth.
- Near-term spending is likely to be boosted following another jump in employment. However high inflation and rising interest rates will increasingly take their natural course of action on cooling demand into 2023.

- Relative to last quarter's forecast, consumer spending growth for 2023 has been downgraded by 0.7 percentage points marking a larger decline in goods spending and a more pronounced slowing in services.
- The unemployment rate outlook reflects a peak of 6.5 percent that corresponds to 110 thousand job losses. There is a risk that Canadian employers may go further although the job market reflects tightness based on vacancy rates and low unemployment rates.
- The loonie averaged US \$0.775 so far in 2022, compared to US \$0.753 in 20199.

OCEANIA

Table 13: Key Performance Indicators – Oceania (2022 vs. 2021)

		YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	2438.4%	19.8	503.7	409.2
Daily Spend (\$PPPD)	👆	21.3%	235.1	285.2	277.9
Visitor Days	👆	1992.0%	84,413	1,765,891	1,472,261
Arrivals	👆	2689.3%	6,524	181,979	150,711
Daily Census	👆	1992.0%	231	4,838	4,034
Airlift (scheduled seats) ^	👆	4418.6%	5,396	243,825	244,830

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 14: Key Performance Indicators – Oceania (2022 vs. 2019)

		YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	👇	-43.7%	895.1	503.7	409.2
Daily Spend (\$PPPD)	👉	9.0%	261.7	285.2	277.9
Visitor Days	👇	-48.4%	3,420,593	1,765,891	1,472,261
Arrivals	👇	-49.9%	363,551	181,979	150,711
Daily Census	👇	-48.4%	9,371	4,838	4,034
Airlift (scheduled seats) ^	👇	-50.7%	494,582	243,825	244,830

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- Unemployment in December 2022 continues to remain at an all-time low in Australia and New Zealand at 3.5 percent and 3.3 percent, respectively.
- Cost of living continues to increase in both Australia and New Zealand putting more financial pressure on consumers.
- The AUD and NZD remain stable against the USD. The exchange rates were sitting at 69 cents (AUD) and 64 cents (NZD) to \$1 USD at the end of December.
- Booking patterns remain the same with flight prices impacting level of bookings and how far in advance consumers are booking.

OTHER ASIA

Table 15: Key Performance Indicators – Other Asia (2022 vs. 2021)

		YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	316.3%	83.2	346.5	N/A
Daily Spend (\$PPPD)	👉	6.5%	285.1	303.5	N/A
Visitor Days	👆	291.0%	291,950	1,141,613	N/A
Arrivals	👆	477.1%	22,524	129,978	N/A
Daily Census	👆	291.0%	800	3,128	N/A
Airlift (scheduled seats) ^	👆	506.6%	35,812	217,245	217,245

*DBEDT 2022 annual forecast (Quarter 3, 2022) N/A=Not available. Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 16: Key Performance Indicators – Other Asia (2022 vs. 2019)

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↓ -57.6%	816.7	346.5	N/A
Daily Spend (\$PPPD)	↔ 3.4%	293.6	303.5	N/A
Visitor Days	↓ -59.0%	2,781,593	1,141,613	N/A
Arrivals	↓ -63.4%	354,680	129,978	N/A
Daily Census	↓ -59.0%	7,621	3,128	N/A
Airlift (scheduled seats) ^	↓ -55.0%	482,717	217,245	217,245

*DBEDT 2022 annual forecast (Quarter 3, 2022) N/A=Not available. Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

KOREA

Table 17: Key Performance Indicators – Korea (2022 vs. 2021)

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑ 616.3%	39.8	285.4	252.0
Daily Spend (\$PPPD)	↑ 10.1%	266.5	293.5	288.7
Visitor Days	↑ 550.3%	149,496	972,209	872,630
Arrivals	↑ 944.8%	10,652	111,298	94,014
Daily Census	↑ 550.3%	410	2,664	2,391
Airlift (scheduled seats) ^	↑ 454.8%	39,160	217,245	217,245

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 18: Key Performance Indicators – Korea (2022 vs. 2019)

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↓ -42.7%	497.9	285.4	252.0
Daily Spend (\$PPPD)	↔ 2.9%	285.2	293.5	288.7
Visitor Days	↓ -44.3%	1,745,666	972,209	872,630
Arrivals	↓ -51.4%	229,056	111,298	94,014
Daily Census	↓ -44.3%	4,783	2,664	2,391
Airlift (scheduled seats) ^	↓ -33.4%	326,398	217,245	217,245

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- Korea's exports fell 9.5 percent from a year earlier to \$54.99 billion in December 2022.
- In December 2022, the South Korean exchange rate was 1,269.05 (KRW/USD), appreciated slightly from the previous month's 1,359.45(KRW/USD).
- Korea recorded 90.0 percent vaccination rate and 71.6 percent booster rate as of December 30. The rate of 4th shots is 16.1 percent. The only remaining compulsory measures for COVID-19 control consist of indoor masks and 7-day self-quarantine of confirmed patients.
- According the Korea Tourism Organization, the number of arrivals and departures increased by 519.7 percent year-on-year to 1,501,337 in November 2022. The number of outbound Koreans exceeded 1 million at 1,041,431 boosting the growth of overseas travelers. It is about half of November 2019.
- Korea Culture & Tourism Institute published a report on tourism trends analysis and prospects for 2023-2025. It selected NEW ERA TRIP as a keyword term. Since the pandemic, structural changes in the overall social economy have led to the concept of 'working from home' and 'workcation' in the new normal era that has arrived. Demand for nature-oriented travel, such as camping trips, walking trips, and bicycle trips which avoid crowded places, has also increased significantly.

CHINA

Table 19: Key Performance Indicators – China (2022 vs. 2021)

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	44.3%	22.4	32.3	N/A
Daily Spend (\$PPPD)	7.7%	317.8	342.1	N/A
Visitor Days	34.1%	70,468	94,472	N/A
Arrivals	67.7%	6,686	11,210	N/A
Daily Census	34.1%	193	259	N/A
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022) N/A=Not available.

Table 20: Key Performance Indicators – China (2022 vs. 2019)

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	-86.7%	242.8	32.3	N/A
Daily Spend (\$PPPD)	4.0%	329.0	342.1	N/A
Visitor Days	-87.2%	737,950	94,472	N/A
Arrivals	-87.8%	92,082	11,210	N/A
Daily Census	-87.2%	2,022	259	N/A
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). N/A=Not available

- December 2022 month-end (ME) rate for Chinese Yuan (CNY) vs. USD was 6.97, vs. November 2022 ME rate of 7.18, vs December 2021 ME rate of 6.38.
- China's Quarter 3 2022 GDP stood at 30.76 trillion CNY (+3.9% vs. 3Q2021). China's year-to date September 2022 GDP stood at 87.03 trillion yuan +5.3 percent vs last year, per National Bureau of Statistics (NBS).
- In December 2022, the Purchasing Manager Index (PMI) of China's manufacturing industry was 47.0 percent, a decrease of 100 basis points from the prior month figure of 48.0 percent.
- In November 2022, China's annual inflation rate was 1.6 percent (vs. 2.1% in October 2022 vs. 2.3% in November 2021).
- China's trade surplus was US\$69.8B in November 2022 from US\$71.3B in the same month a year earlier (down 2.1%). For YTD November 2022, trade surplus was US\$798.892B, with exports up 8.8 percent and imports up 2.1 percent vs. YTD November 2021.
- Nippon Airway (ANA) has a new promotion in China, "ANA Flying HONU," from Beijing to Honolulu via Tokyo – Narita, from Chinese Lunar New Year, January 22 to March 31. The flight is scheduled to depart two times per week (Monday and Thursday) from Beijing Capital Airport (PEK).

EUROPE

Table 21: Key Performance Indicators – Europe (2022 vs. 2021)

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	318.3%	52.9	221.1	185.4
Daily Spend (\$PPPD)	-5.0%	167.9	159.4	156.2
Visitor Days	340.4%	314,899	1,386,804	1,186,896
Arrivals	431.3%	18,775	99,742	84,710
Daily Census	340.4%	863	3,799	3,252
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022).

Table 22: Key Performance Indicators – Europe (2022 vs. 2019)

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↓ -17.5%	268.1	221.1	185.4
Daily Spend (\$PPPD)	↔ 5.9%	150.6	159.4	156.2
Visitor Days	↓ -22.1%	1,780,190	1,386,804	1,186,896
Arrivals	↓ -27.7%	137,908	99,742	84,710
Daily Census	↓ -22.1%	4,877	3,799	3,252
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022).

LATIN AMERICA

Table 23: Key Performance Indicators – Latin America (2022 vs. 2021)

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑ 56.0%	29.9	46.6	N/A
Daily Spend (\$PPPD)	↓ -19.4%	249.7	201.1	N/A
Visitor Days	↑ 93.7%	119,596	231,624	N/A
Arrivals	↑ 114.8%	9,348	20,078	N/A
Daily Census	↑ 93.7%	328	635	N/A
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). N/A=Not available.

Table 24: Key Performance Indicators – Latin America (2022 vs. 2019)

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↓ -28.0%	64.7	46.6	N/A
Daily Spend (\$PPPD)	↓ -13.9%	233.7	201.1	N/A
Visitor Days	↓ -16.3%	276,859	231,624	N/A
Arrivals	↓ -20.8%	25,344	20,078	N/A
Daily Census	↓ -16.3%	759	635	N/A
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). N/A=Not available.

ISLAND VISITATION:

- **O'ahu:** There were 486,748 visitors to O'ahu in December 2022 compared to 558,346 visitors (-12.8%) in December 2019. Visitor spending was \$839.1 million compared to \$778.4 million (+7.8%) in December 2019. The average daily census on O'ahu was 118,319 visitors in December 2022 compared to 127,349 visitors (-7.1%) in December 2019.

For all of 2022, there were 4,864,701 visitors to O'ahu, representing a 79.0 percent recovery from 2019 (6,154,248 visitors). Total visitor spending was \$8.52 billion in 2022 compared to \$8.14 billion (+4.6%) in 2019.

- **Maui:** There were 259,094 visitors to Maui in December 2022 compared to 275,419 visitors (-5.9%) in December 2019. Visitor spending was \$557.0 million compared to \$513.1 million (+8.6%) in December 2019. The average daily census on Maui was 71,461 visitors in December 2022, down from 75,856 visitors (-5.8%) in December 2019.

For all of 2022, there were 2,910,782 visitors to Maui, representing a 95.1 percent recovery from 2019 (3,059,905 visitors). Total visitor spending was \$5.69 billion in 2022 compared to \$5.13 billion (+11.0%) in 2019.

- **Hawai'i Island:** There were 158,127 visitors to Hawai'i Island in December 2022 compared to 177,912 visitors (-11.1%) in December 2019. Visitor spending was \$282.4 million compared to \$262.4 million (+7.6%) in December 2019. The average daily census on Hawai'i Island was 43,204 visitors in December 2022 compared to 46,689 visitors (-7.5%) in December 2019.

For all of 2022, there were 1,674,208 visitors to Hawai'i Island, representing a 94.9 percent recovery from 2019 (1,763,904 visitors). Total visitor spending was \$2.68 billion in 2022 compared to \$2.32 billion (+15.5%) in 2019.

- **Kaua'i** There were 121,653 visitors to Kaua'i in December 2022 compared to 124,356 visitors (-2.2%) in December 2019. Visitor spending was \$191.6 million compared to \$175.1 million (+9.4%) in December 2019. The average daily census on Kaua'i was 29,852 visitors in December 2022, down from 31,202 visitors (-4.3%) in December 2019.

For all of 2022, there were 1,345,265 visitors to Kaua'i, representing a 98.2 percent recovery from 2019 (1,370,029 visitors). Total visitor spending was \$2.18 billion in 2022 compared to \$1.91 billion (+14.3%) in 2019.

7.2

December 2022 Dashboard

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **OVERALL**

Key Performance Indicators

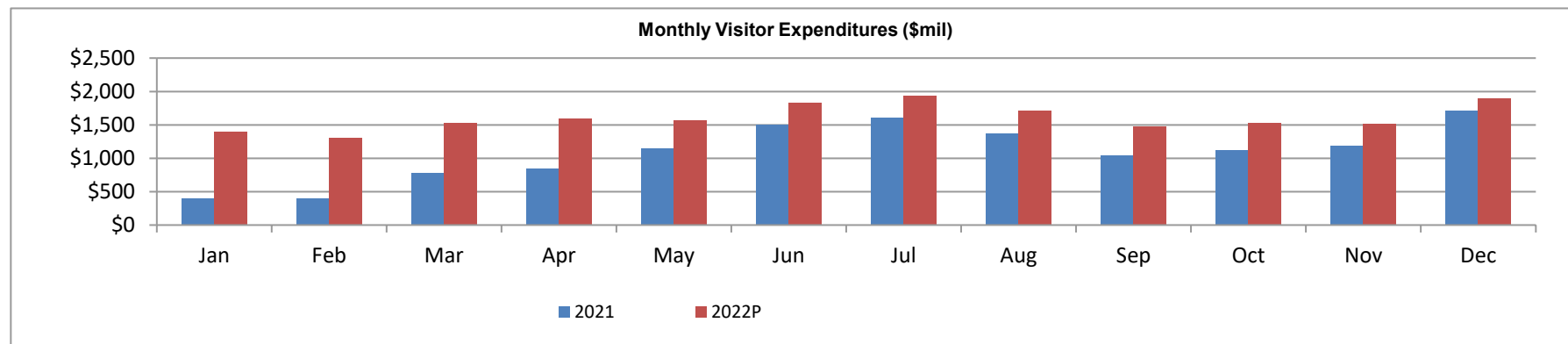
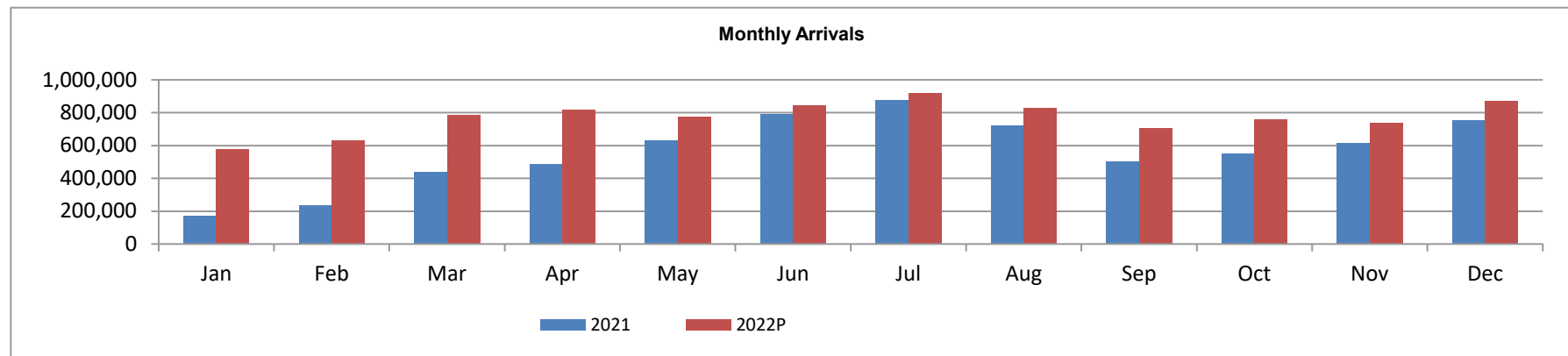
		YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	47.0%	13,127.0	19,291.2	18,997.5
Daily Spend (\$PPPD)	↑	12.6%	201.0	226.2	223.2
Visitor Days	↑	30.6%	65,312,274	85,265,480	85,108,883
Arrivals	↑	36.4%	6,777,760	9,247,848	9,113,305
Daily Census	↑	30.6%	178,938	233,604	233,175
Airlift (scheduled seats)^	↑	32.4%	9,606,116	12,722,368	N/A

	Arrivals	YOY Rate	YTD
O'ahu		46.2%	4,864,701
Maui		26.3%	2,910,782
Moloka'i		68.6%	43,420
Lāna'i		40.8%	67,364
Kaua'i		65.3%	1,345,265
Hawai'i Island		41.5%	1,674,208

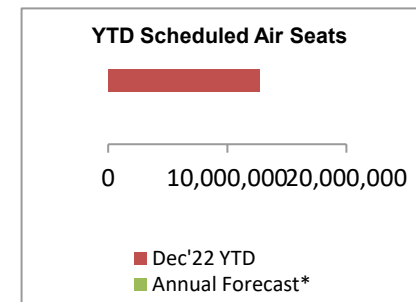
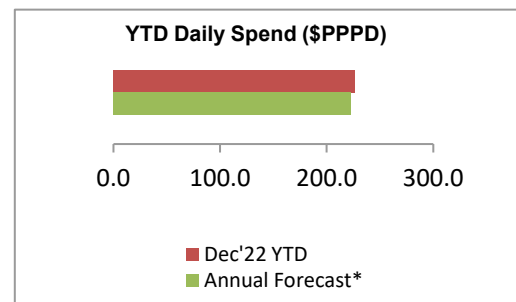
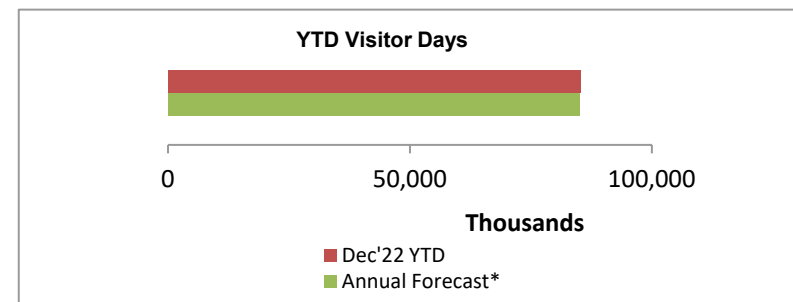
* DBEDT Annual Forecast as of Q3 2022.

^ HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

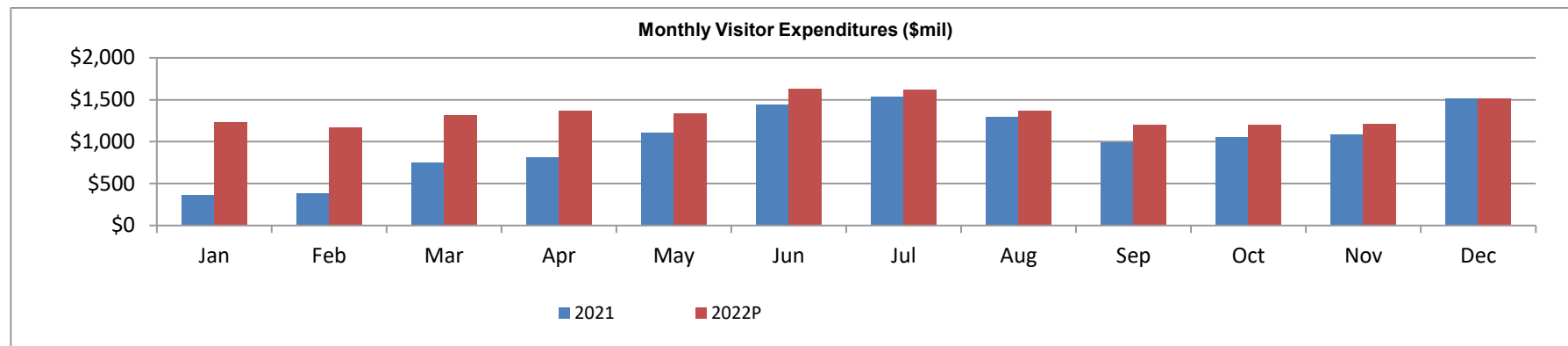
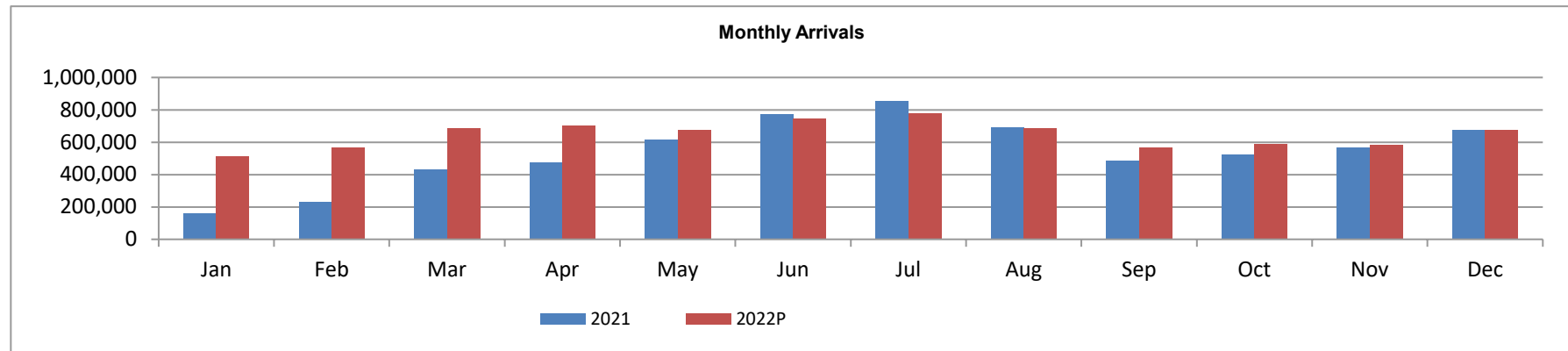
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 31.2%	12,317.9	16,166.1	16,236.3	O'ahu	22.1%	3,836,289
Daily Spend (\$PPPD)	↑ 14.8%	201.1	230.8	227.9	Maui	14.4%	2,521,070
Visitor Days	↑ 14.4%	61,249,727	70,044,466	71,234,186	Moloka'i	44.0%	35,010
Arrivals	↑ 20.0%	6,468,899	7,760,131	7,850,503	Lāna'i	23.1%	55,855
Daily Census	↑ 14.4%	167,807	191,903	195,162	Kaua'i	53.8%	1,207,081
Airlift (scheduled seats) [^]	↔ 8.2%	10,238,721	11,076,479	11,116,554	Hawai'i Island	27.3%	1,447,168

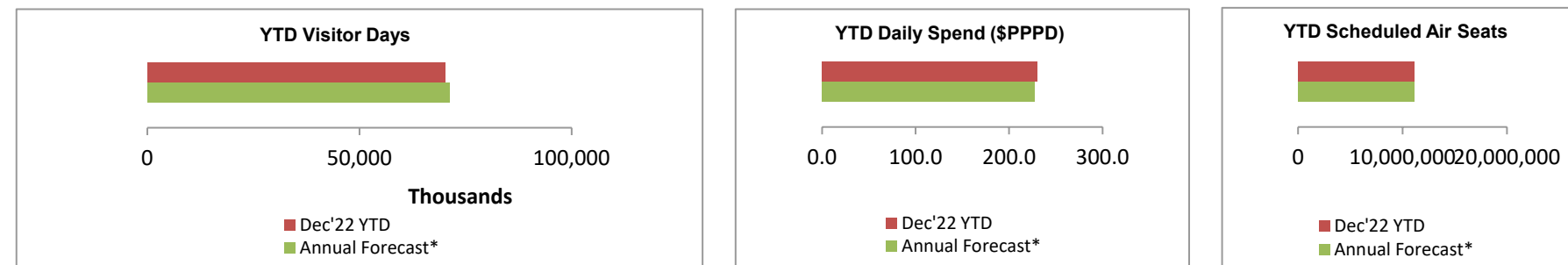
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **U.S. WEST**

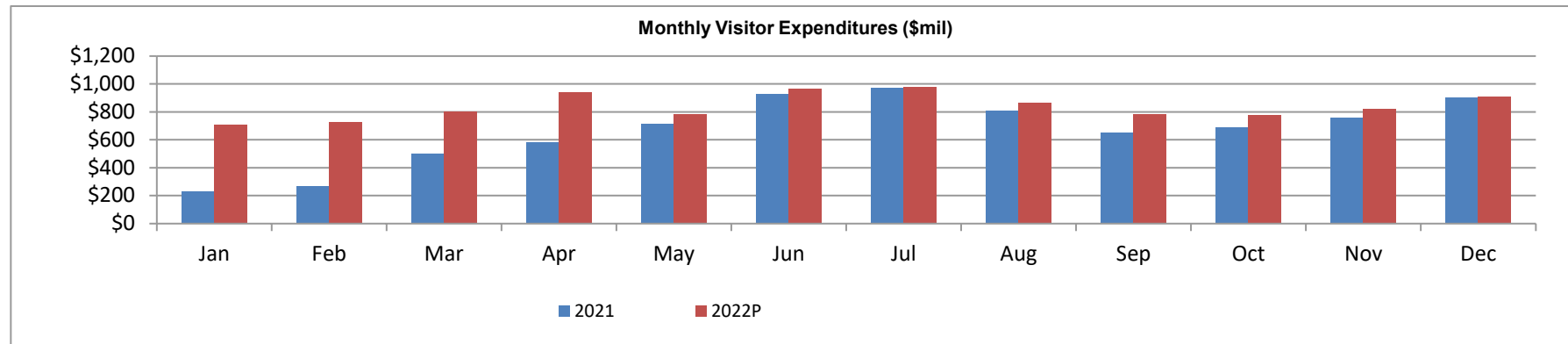
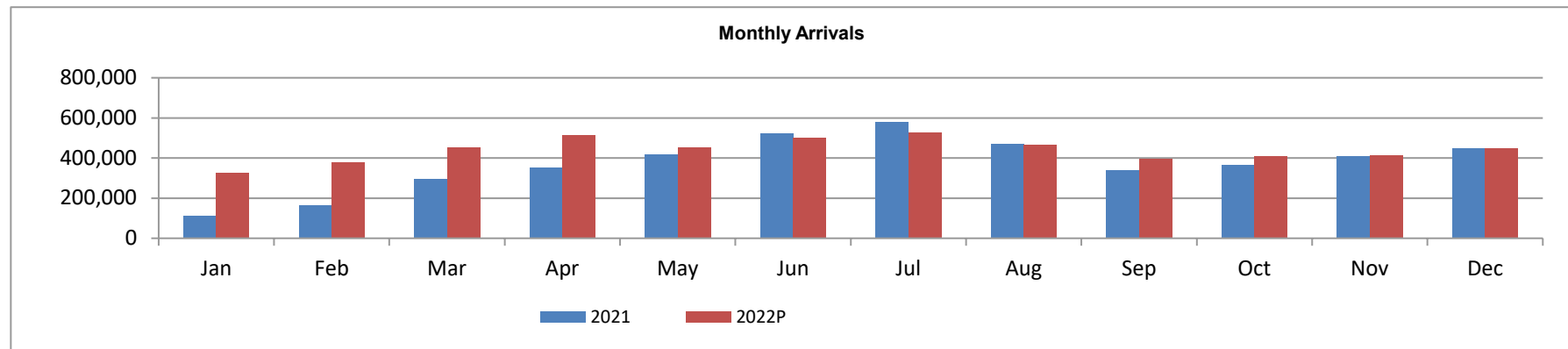
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 25.7%	7,994.4	10,052.9	9,946.1	O'ahu	21.1%	2,427,618
Daily Spend (\$PPPD)	↑ 12.9%	195.5	220.7	216.5	Maui	8.9%	1,658,091
Visitor Days	↑ 11.4%	40,900,008	45,558,089	45,934,614	Moloka'i	40.1%	22,110
Arrivals	↑ 18.2%	4,473,588	5,286,825	5,312,878	Lāna'i	20.1%	31,493
Daily Census	↑ 11.4%	112,055	124,817	125,848	Kaua'i	49.9%	810,380
Airlift (scheduled seats) [^]	↔ 9.2%	8,989,207	9,813,512	9,849,899	Hawai'i Island	21.7%	929,087

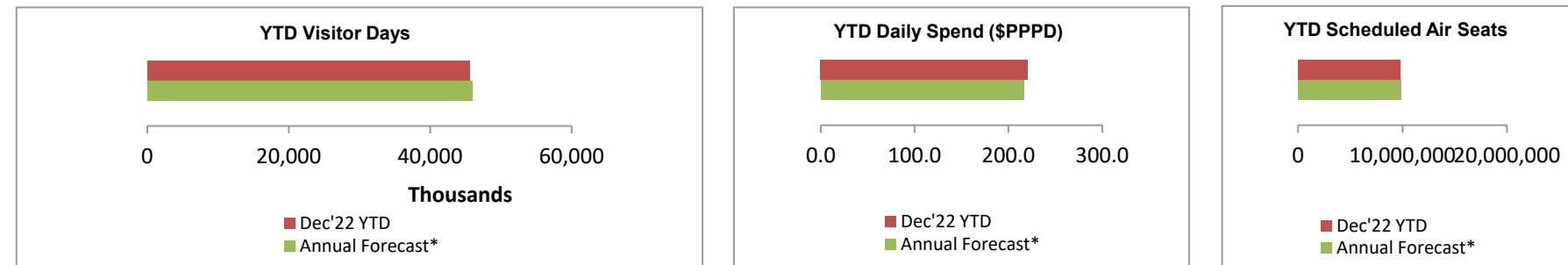
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **U.S. EAST**

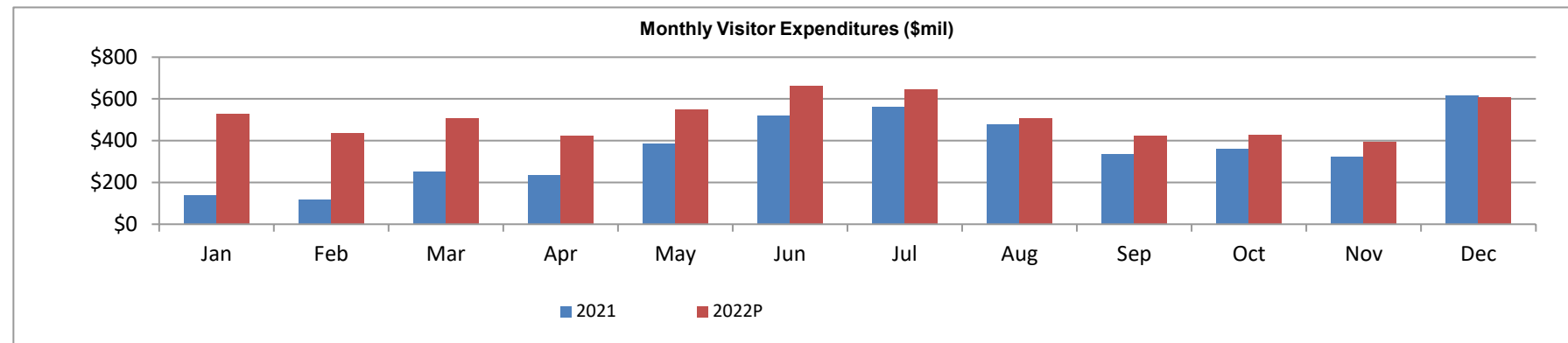
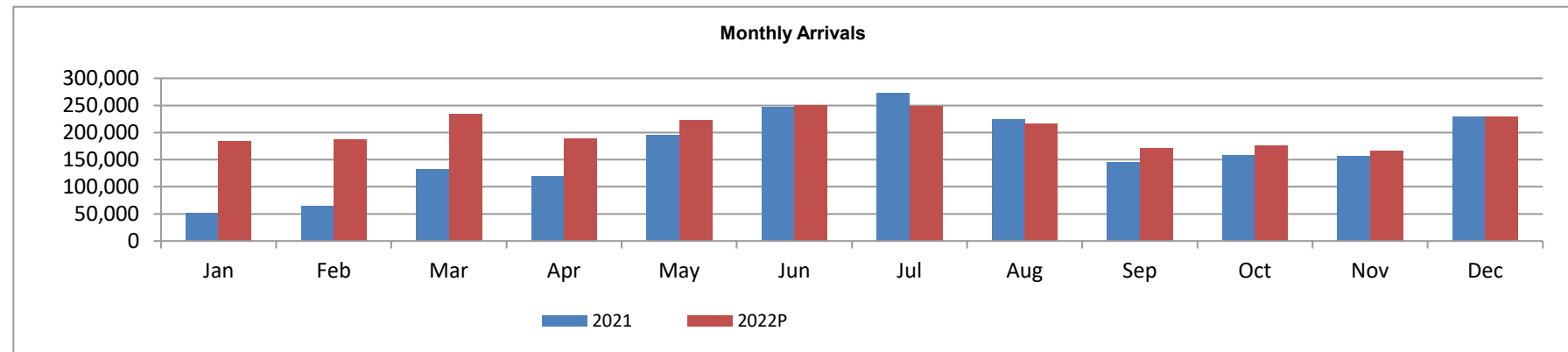
Key Performance Indicators

		YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑	41.4%	4,323.5	6,113.2	6,290.2	O'ahu	23.9%	1,408,671
Daily Spend (\$PPPD)	↑	17.5%	212.5	249.7	248.6	Maui	26.7%	862,979
Visitor Days	↑	20.3%	20,349,720	24,486,377	25,299,572	Moloka'i	51.1%	12,899
Arrivals	↑	24.0%	1,995,311	2,473,306	2,537,626	Lāna'i	27.2%	24,363
Daily Census	↑	20.3%	55,753	67,086	69,314	Kaua'i	62.2%	396,701
Airlift (scheduled seats) [^]	↔	1.1%	1,249,514	1,262,967	1,266,655	Hawai'i Island	38.5%	518,081

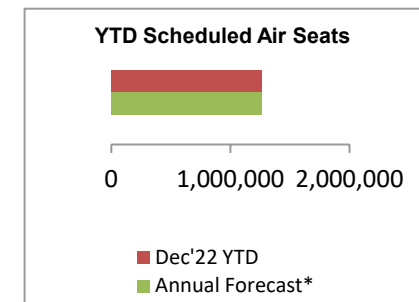
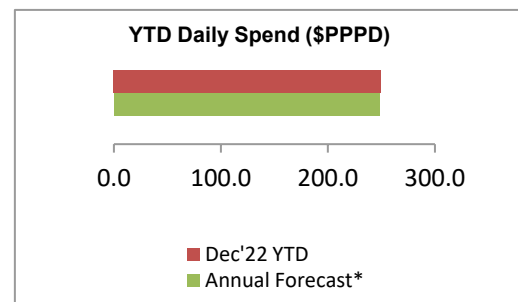
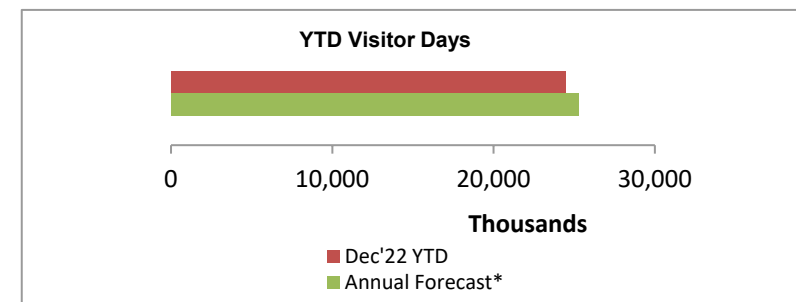
* DBEDT Annual Forecast as of Q3 2022.

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Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **JAPAN**

Key Performance Indicators

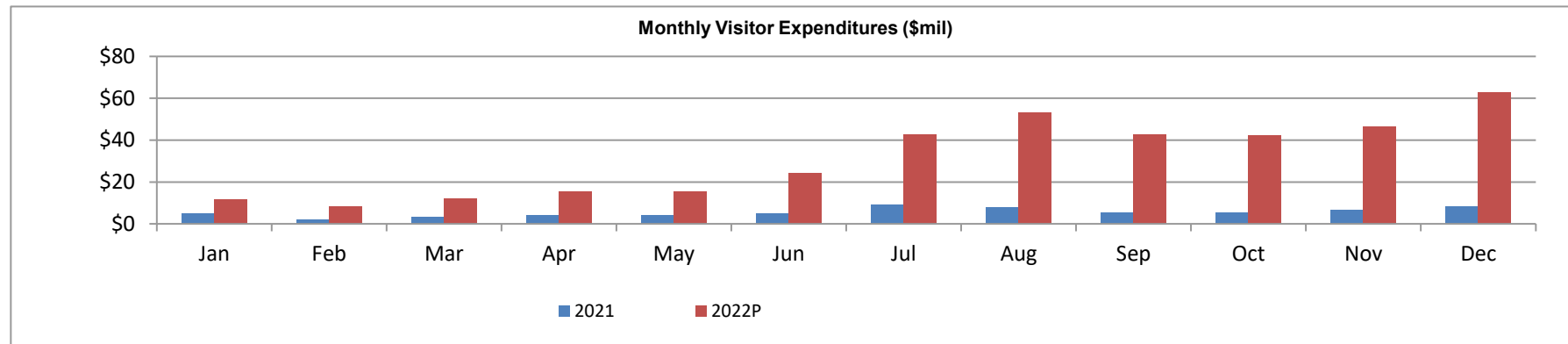
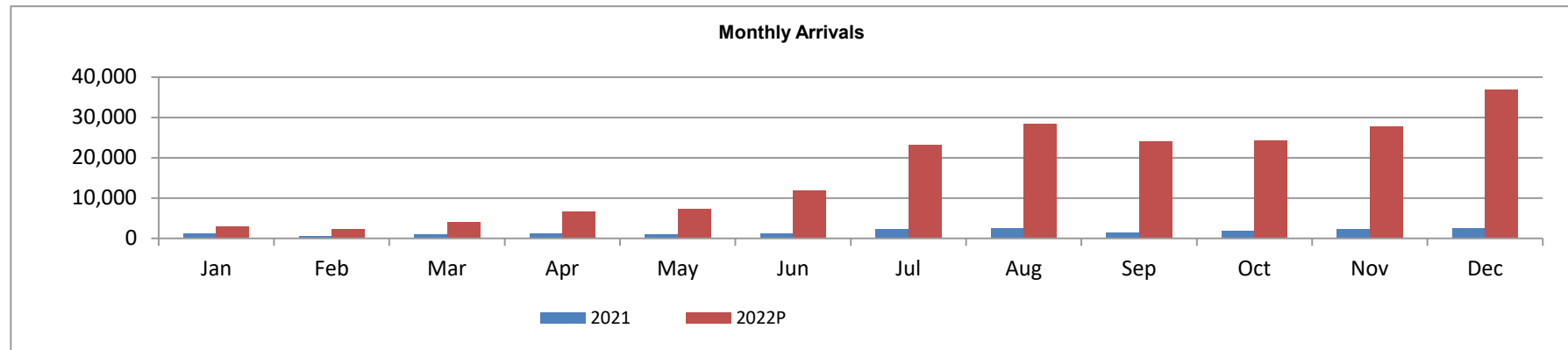
		YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	477.9%	65.1	376.3	468.1
Daily Spend (\$PPPD)	↔	5.7%	220.9	233.5	231.2
Visitor Days	↑	446.9%	294,720	1,611,798	2,024,134
Arrivals	↑	954.9%	18,936	199,760	209,890
Daily Census	↑	446.9%	807	4,416	5,546
Airlift (scheduled seats) [^]	↑	263.6%	131,766	479,146	481,092

	Arrivals	YOY Rate	YTD
O'ahu		975.3%	193,555
Maui		641.4%	5,679
Moloka'i		1117.1%	189
Lāna'i		1631.3%	335
Kaua'i		718.7%	2,956
Hawai'i Island		1516.9%	16,163

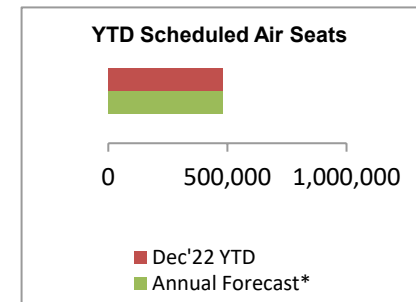
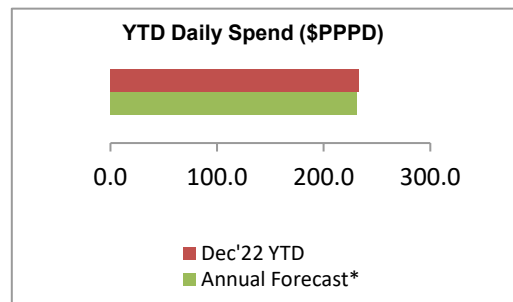
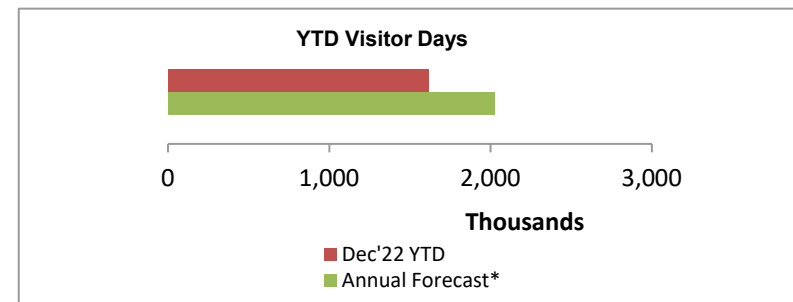
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **CANADA**

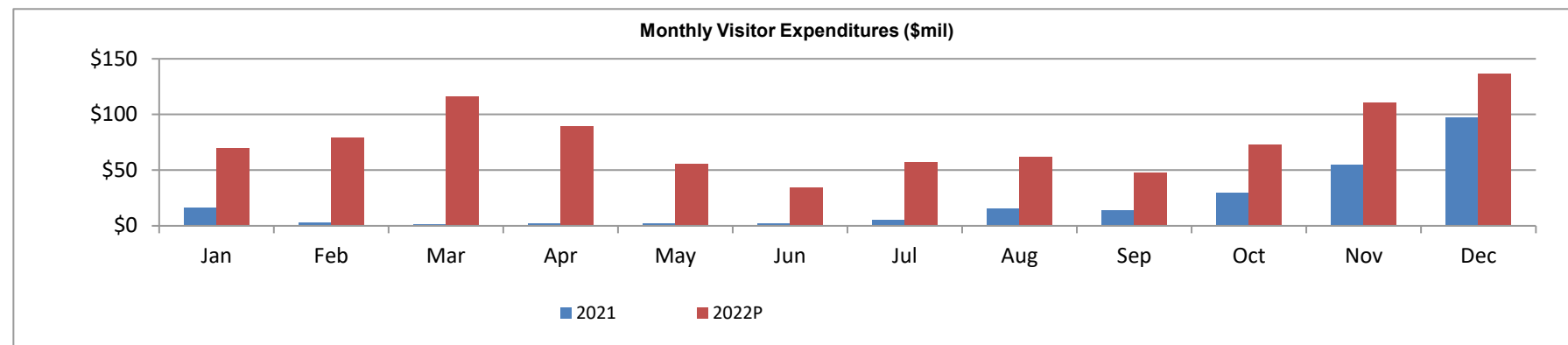
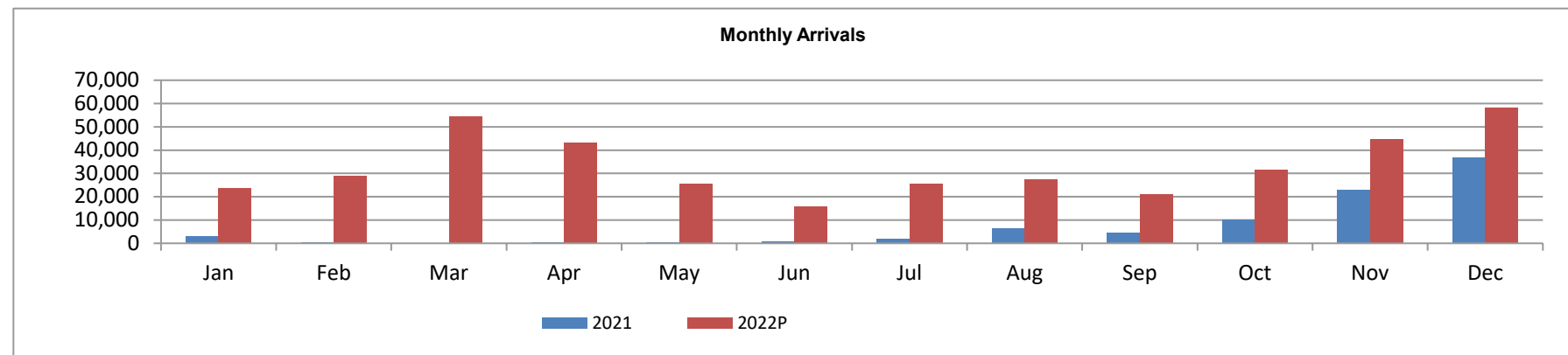
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 285.8%	240.6	928.2	876.2	O'ahu	414.8%	188,741
Daily Spend (\$PPPD)	↔ 6.8%	176.4	188.3	182.4	Maui	334.4%	196,139
Visitor Days	↑ 261.2%	1,364,326	4,928,356	4,802,897	Moloka'i	553.4%	2,064
Arrivals	↑ 354.9%	87,900	399,869	379,885	Lāna'i	578.9%	4,746
Daily Census	↑ 261.2%	3,738	13,502	13,159	Kaua'i	482.5%	44,615
Airlift (scheduled seats) [^]	↑ 247.6%	140,178	487,215	487,215	Hawai'i Island	413.7%	66,548

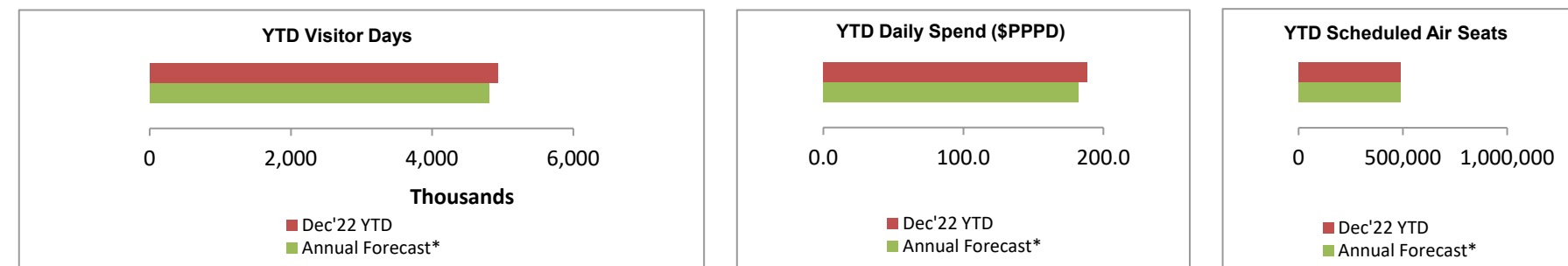
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **OCEANIA**

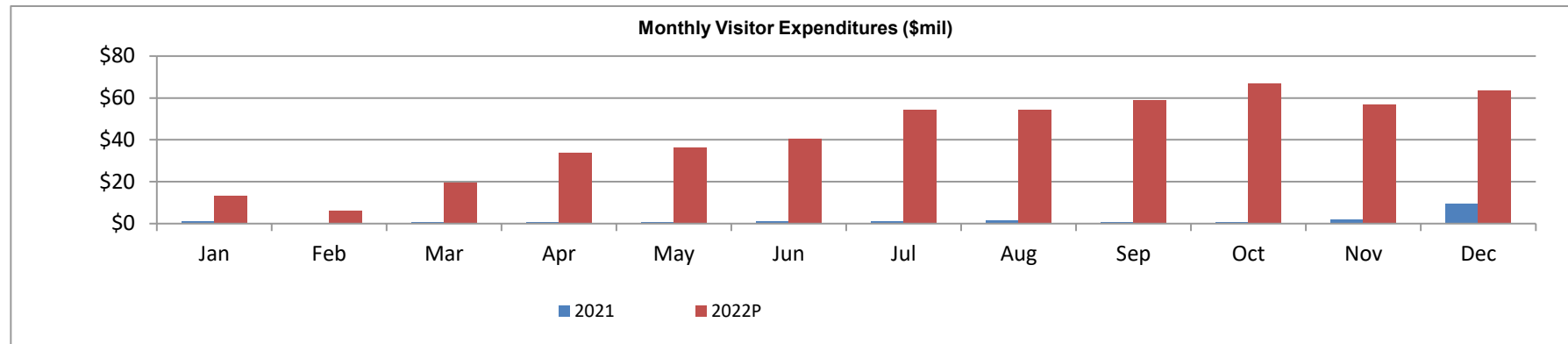
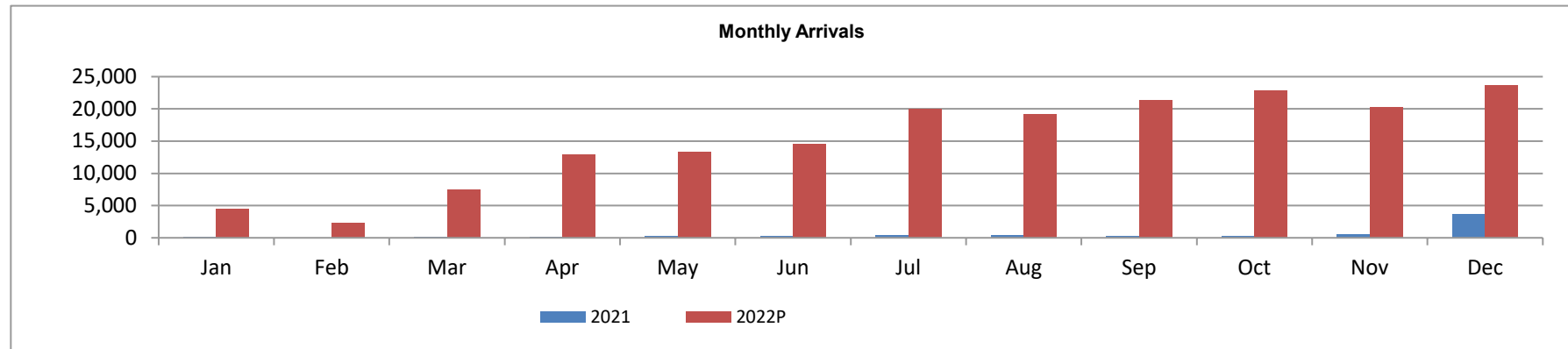
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 2438.4%	19.8	503.7	409.2	O'ahu	3569.4%	177,866
Daily Spend (\$PPPD)	↑ 21.3%	235.1	285.2	277.9	Maui	2172.1%	25,553
Visitor Days	↑ 1992.0%	84,413	1,765,891	1,472,261	Moloka'i	6377.1%	1,368
Arrivals	↑ 2689.3%	6,524	181,979	150,711	Lāna'i	5053.8%	1,834
Daily Census	↑ 1992.0%	231	4,838	4,034	Kaua'i	1845.5%	11,119
Airlift (scheduled seats) [^]	↑ 4418.6%	5,396	243,825	244,830	Hawai'i Island	2657.0%	18,539

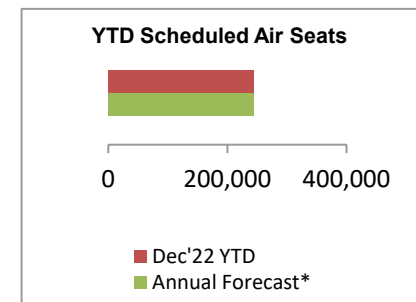
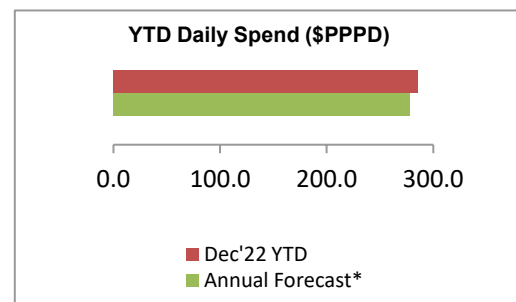
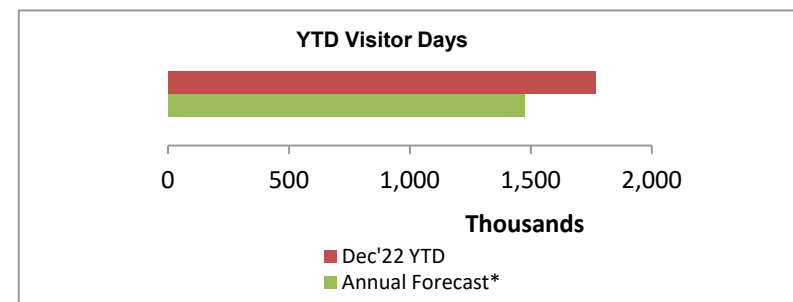
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **OTHER ASIA**

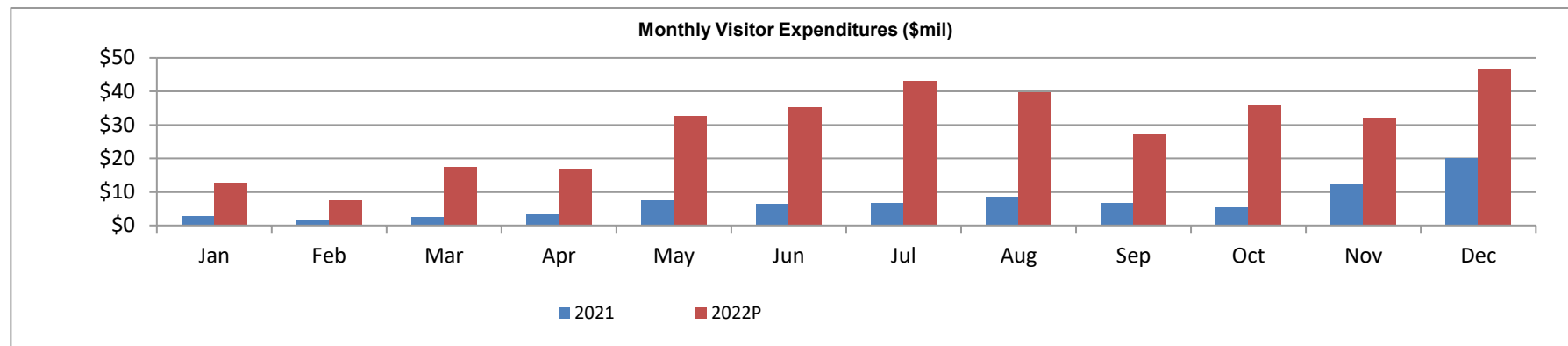
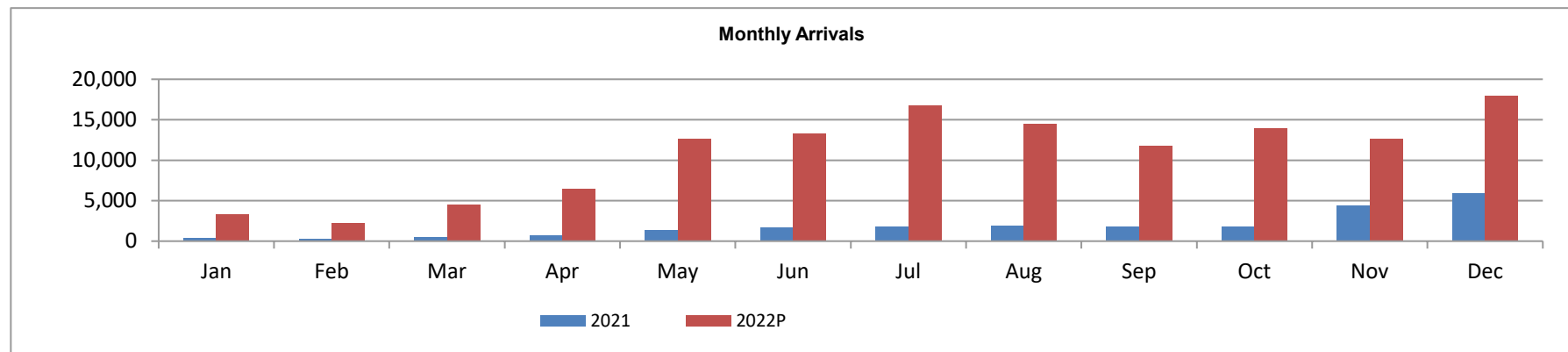
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 316.3%	83.2	346.5	N/A	O'ahu	553.5%	123,222
Daily Spend (\$PPPD)	↔ 6.5%	285.1	303.5	N/A	Mau'i	299.4%	14,944
Visitor Days	↑ 291.0%	291,950	1,141,613	N/A	Moloka'i	294.6%	293
Arrivals	↑ 477.1%	22,524	129,978	N/A	Lāna'i	19.7%	350
Daily Census	↑ 291.0%	800	3,128	N/A	Kaua'i	209.1%	4,118
Airlift (scheduled seats) [^]	↑ 506.6%	35,812	217,245	217,245	Hawai'i Island	376.0%	20,075

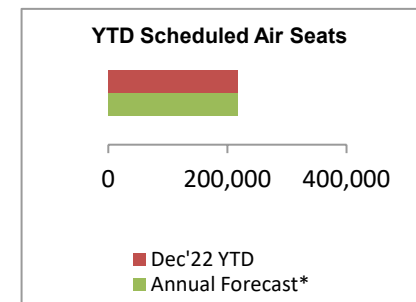
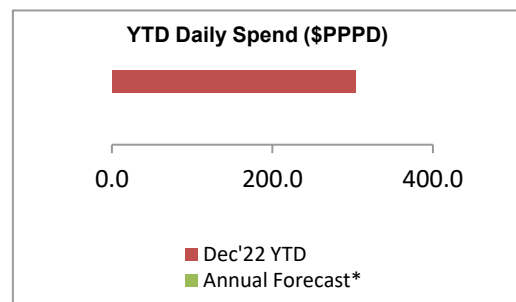
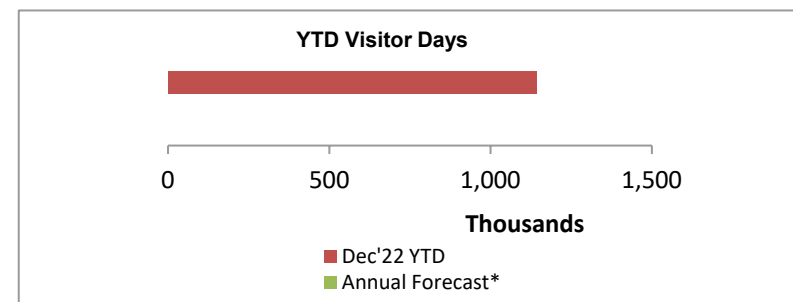
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **KOREA**

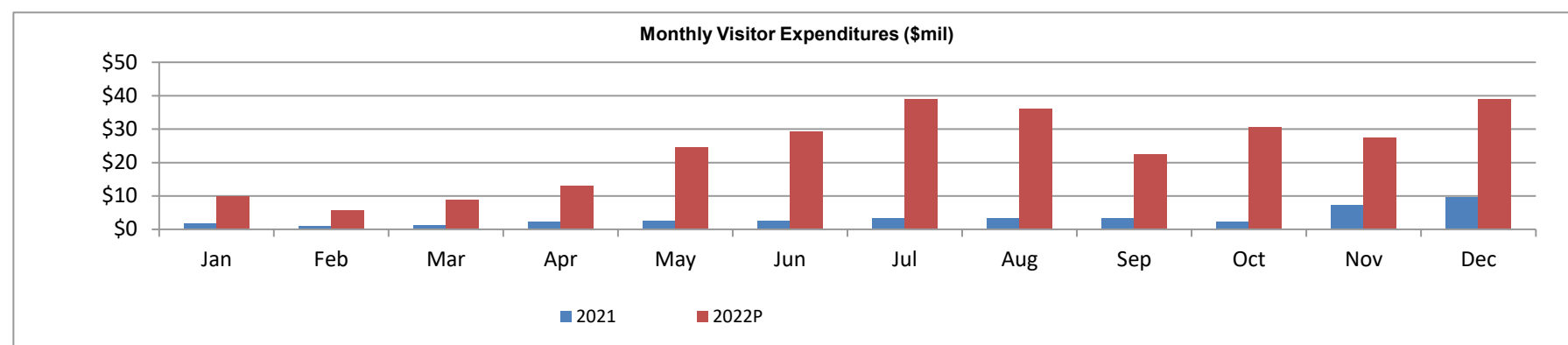
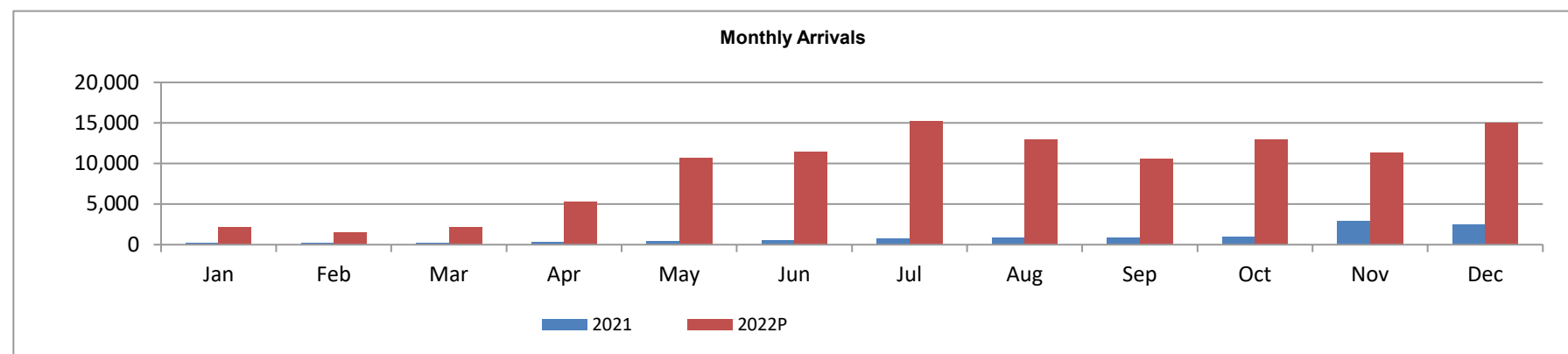
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 616.3%	39.8	285.4	252.0	O'ahu	1025.5%	108,927
Daily Spend (\$PPPD)	↑ 10.1%	266.5	293.5	288.7	Maui	751.4%	10,798
Visitor Days	↑ 550.3%	149,496	972,209	872,630	Moloka'i	418.6%	161
Arrivals	↑ 944.8%	10,652	111,298	94,014	Lāna'i	1093.9%	164
Daily Census	↑ 550.3%	410	2,664	2,391	Kaua'i	640.9%	2,460
Airlift (scheduled seats) [^]	↑ 454.8%	39,160	217,245	217,245	Hawai'i Island	1153.5%	15,228

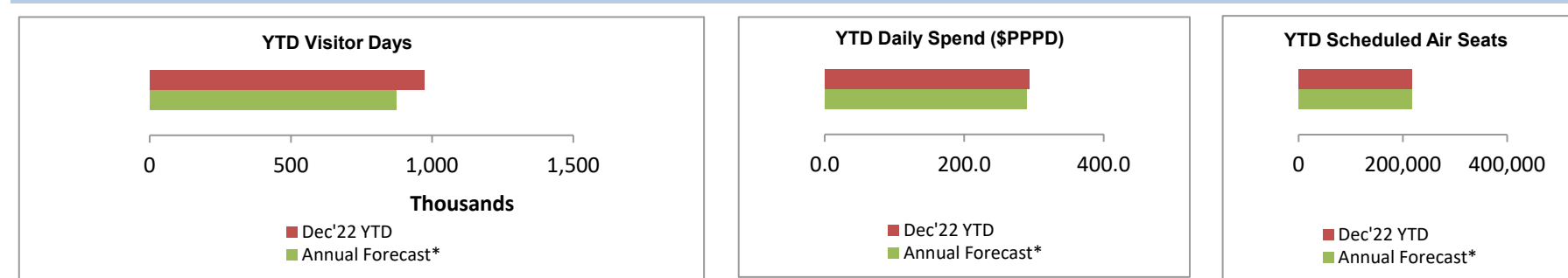
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **CHINA**

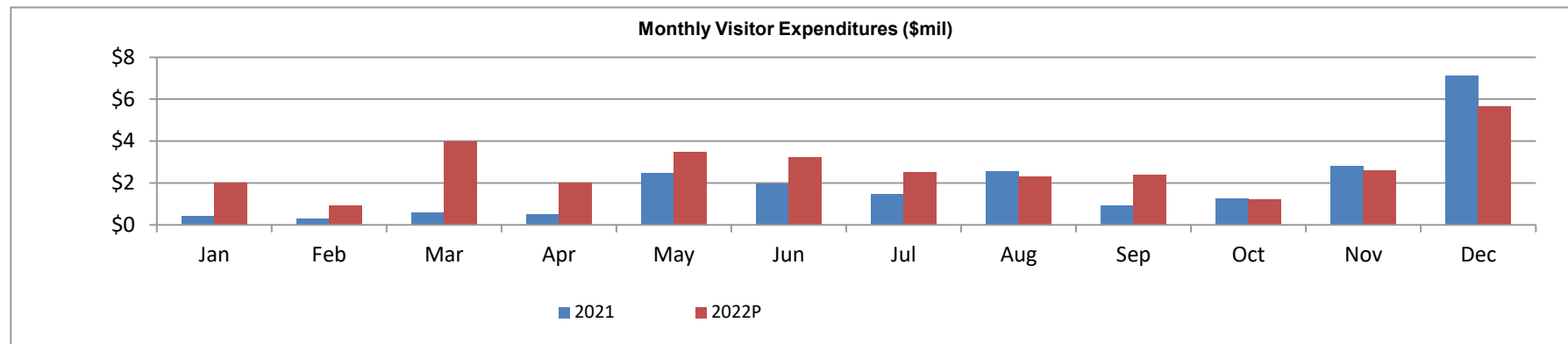
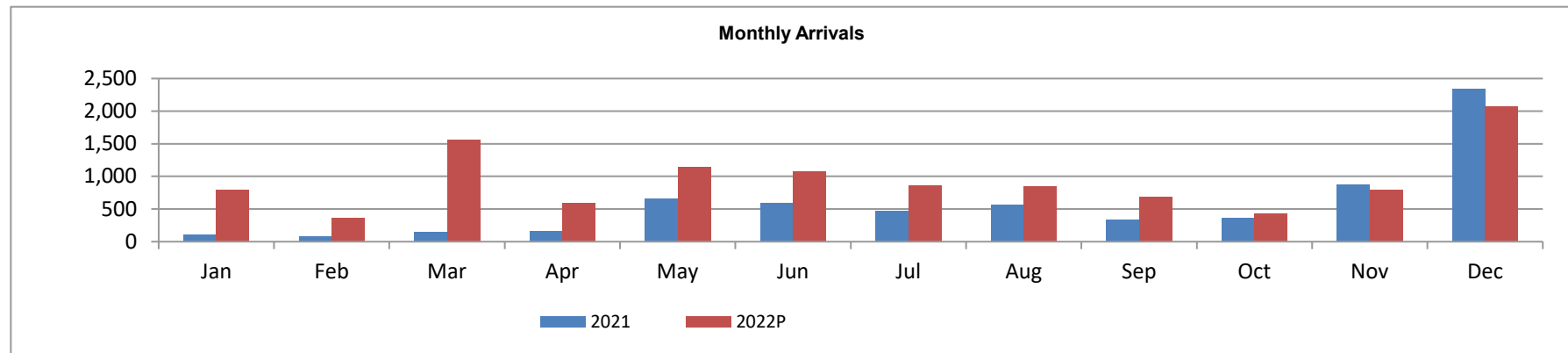
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 44.3%	22.4	32.3	N/A	O'ahu	66.5%	9,200
Daily Spend (\$PPPD)	↔ 7.7%	317.8	342.1	N/A	Mau'i	71.3%	2,312
Visitor Days	↑ 34.1%	70,468	94,472	N/A	Moloka'i	325.2%	86
Arrivals	↑ 67.7%	6,686	11,210	N/A	Lāna'i	63.5%	101
Daily Census	↑ 34.1%	193	259	N/A	Kaua'i	61.9%	709
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	65.1%	3,268

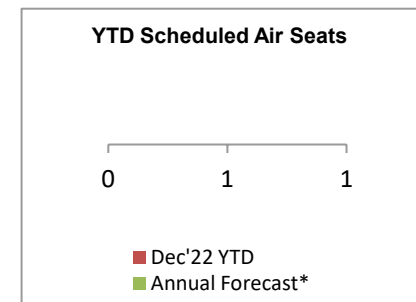
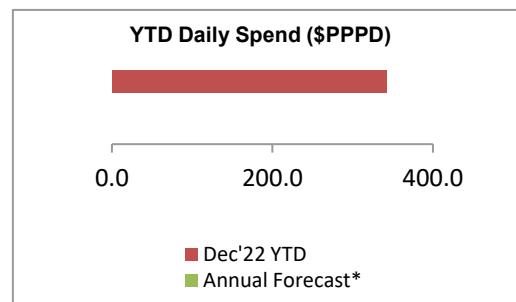
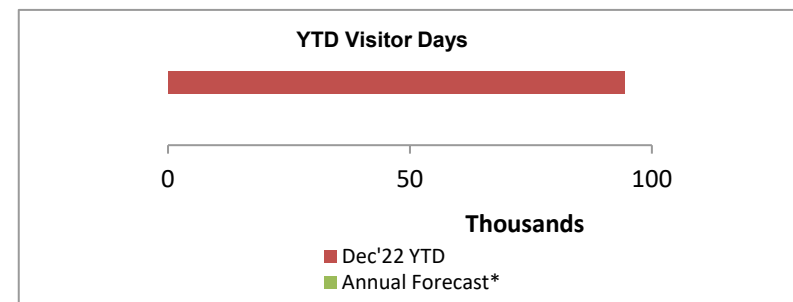
* DBEDT Annual Forecast as of Q3 2022.

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Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **EUROPE**

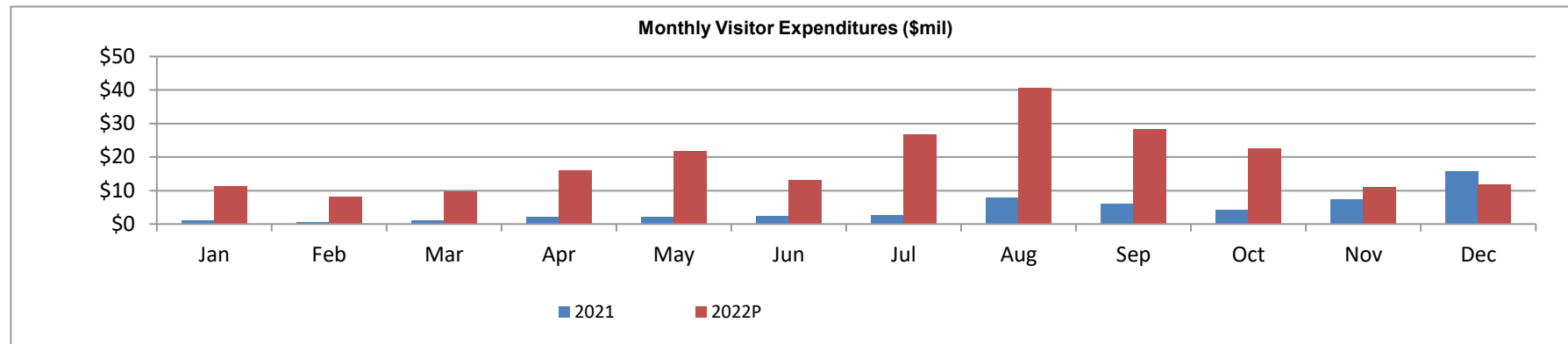
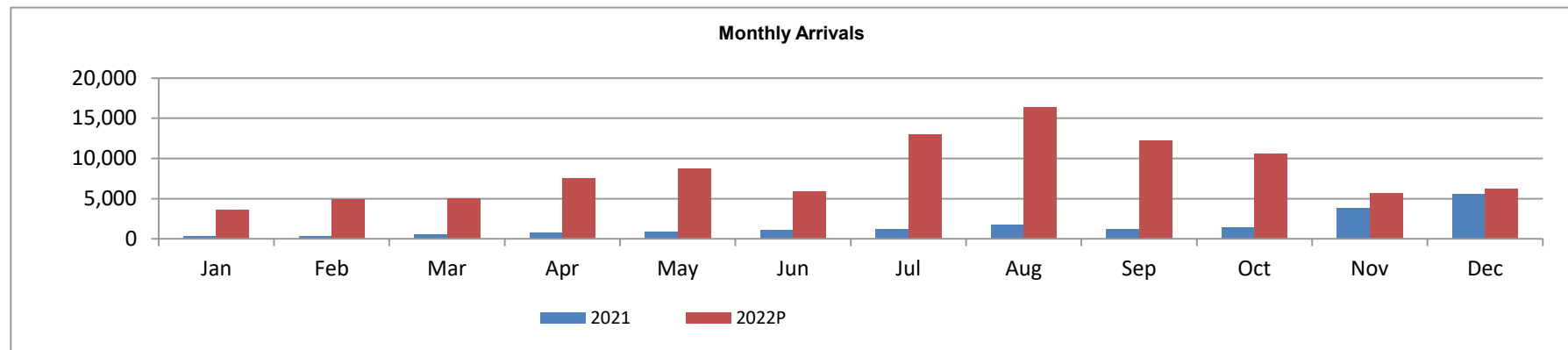
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 318.3%	52.9	221.1	185.4	O'ahu	491.9%	70,096
Daily Spend (\$PPPD)	↓ -5.0%	167.9	159.4	156.2	Maui	599.6%	41,744
Visitor Days	↑ 340.4%	314,899	1,386,804	1,186,896	Moloka'i	500.7%	1,470
Arrivals	↑ 431.3%	18,775	99,742	84,710	Lāna'i	463.9%	1,248
Daily Census	↑ 340.4%	863	3,799	3,252	Kaua'i	663.9%	23,951
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	672.4%	35,054

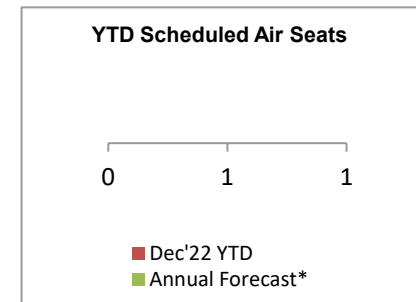
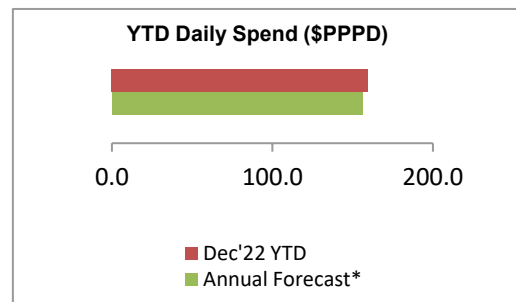
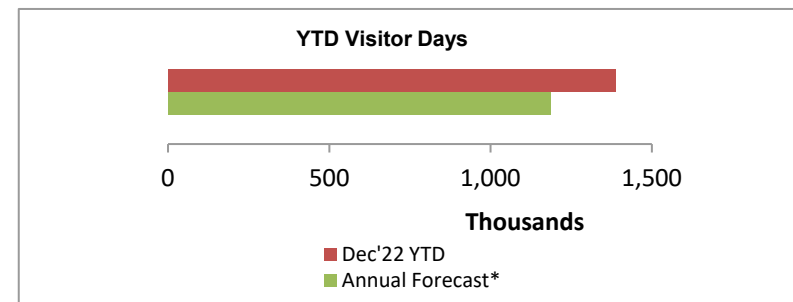
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

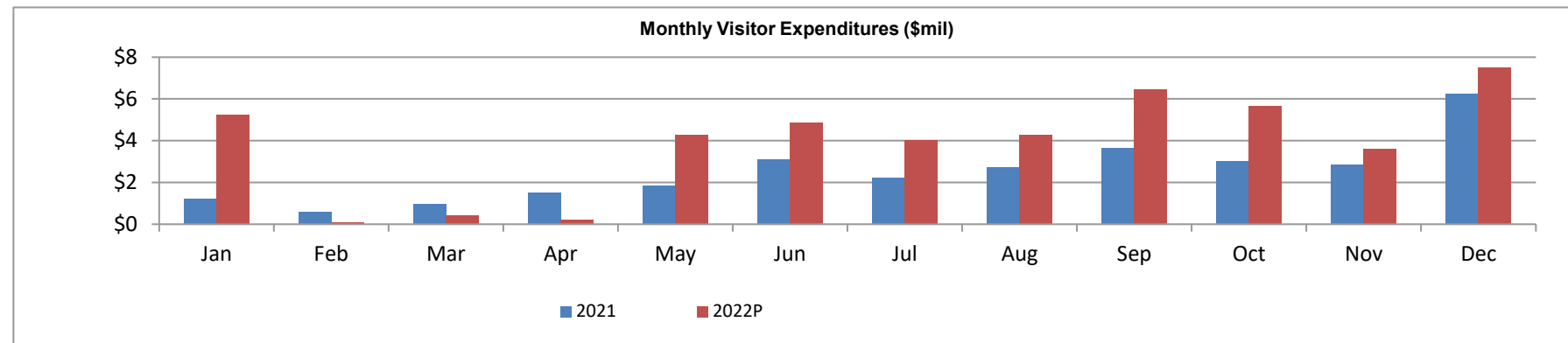
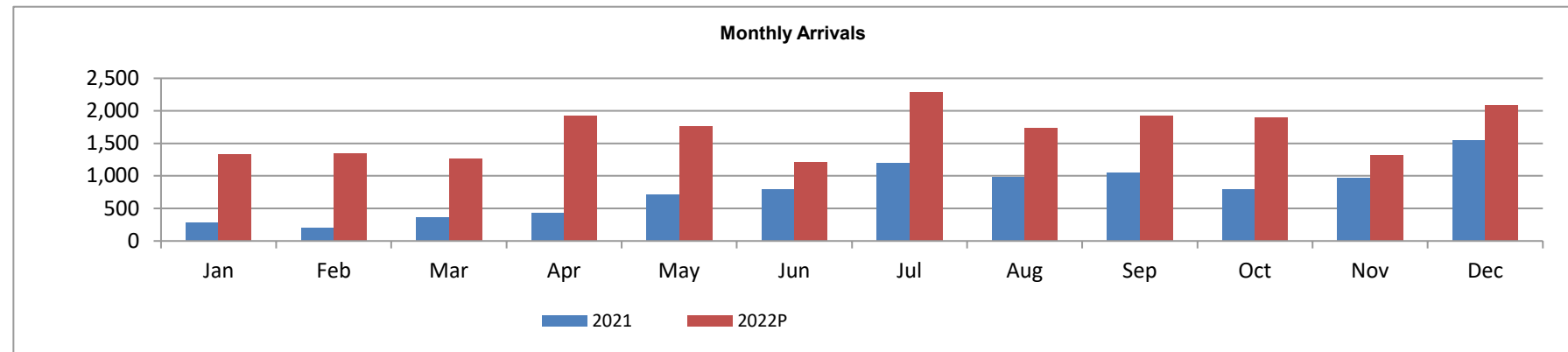
Key Performance Indicators

	YOY Rate	Dec'21 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 56.0%	29.9	46.6	N/A	O'ahu	120.6%	13,735
Daily Spend (\$PPPD)	↓ -19.4%	249.7	201.1	N/A	Mauī	93.0%	6,814
Visitor Days	↑ 93.7%	119,596	231,624	N/A	Moloka'i	61.7%	128
Arrivals	↑ 114.8%	9,348	20,078	N/A	Lāna'i	88.9%	207
Daily Census	↑ 93.7%	328	635	N/A	Kaua'i	177.8%	2,140
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	158.8%	4,654

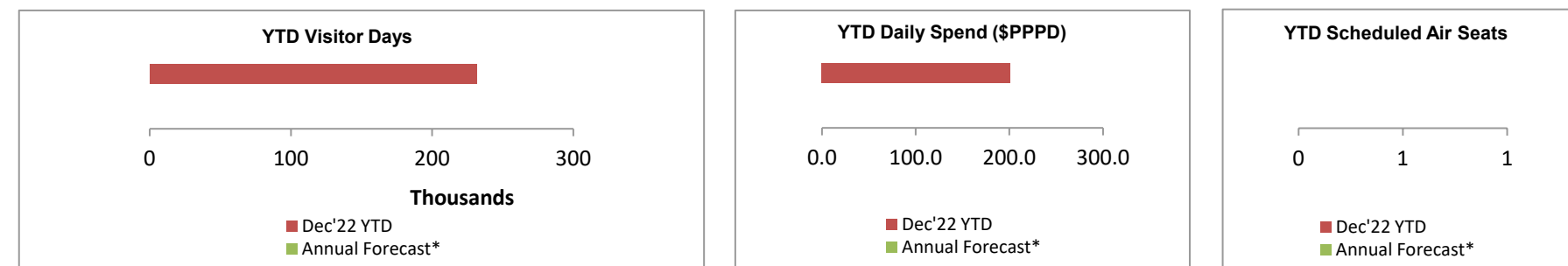
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

7.3

December 2022 Dashboard with 2019

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **OVERALL**

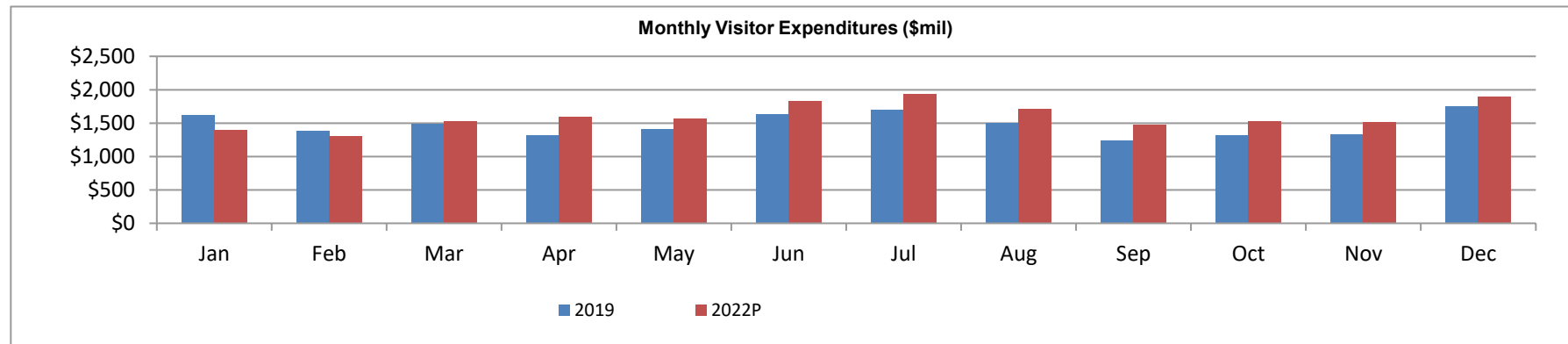
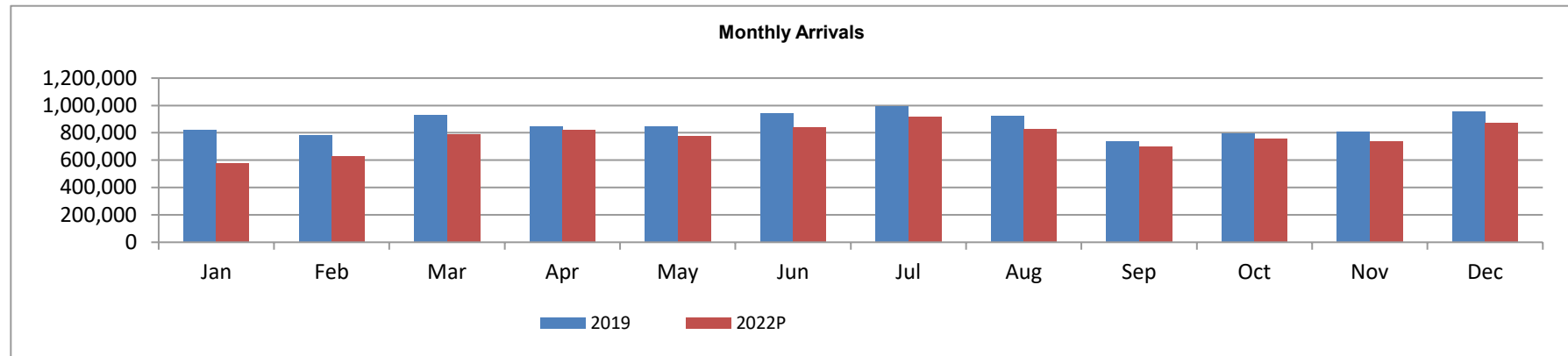
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↔ 8.9%	17,716.1	19,291.2	18,997.5	O'ahu	-21.0%	4,864,701
Daily Spend (\$PPPD)	↑ 15.4%	196.1	226.2	223.2	Maui	-4.9%	2,910,782
Visitor Days	↔ -5.6%	90,360,946	85,265,480	85,108,883	Moloka'i	-31.1%	43,420
Arrivals	↓ -11.0%	10,386,673	9,247,848	9,113,305	Lāna'i	-19.9%	67,364
Daily Census	↔ -5.6%	247,564	233,604	233,175	Kaua'i	-1.8%	1,345,265
Airlift (scheduled seats)^	↔ -5.9%	13,524,164	12,722,368	N/A	Hawai'i Island	-5.1%	1,674,208

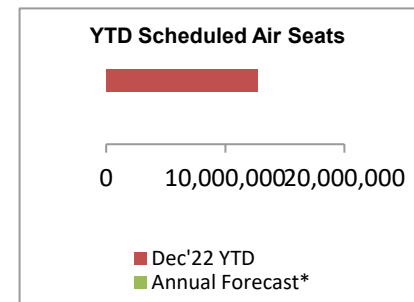
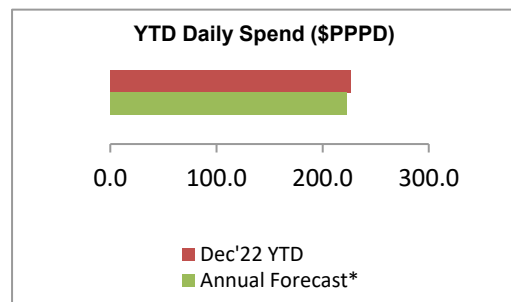
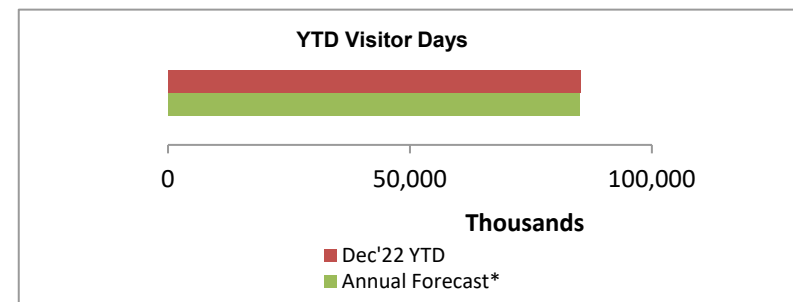
* DBEDT Annual Forecast as of Q3 2022.

^ HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

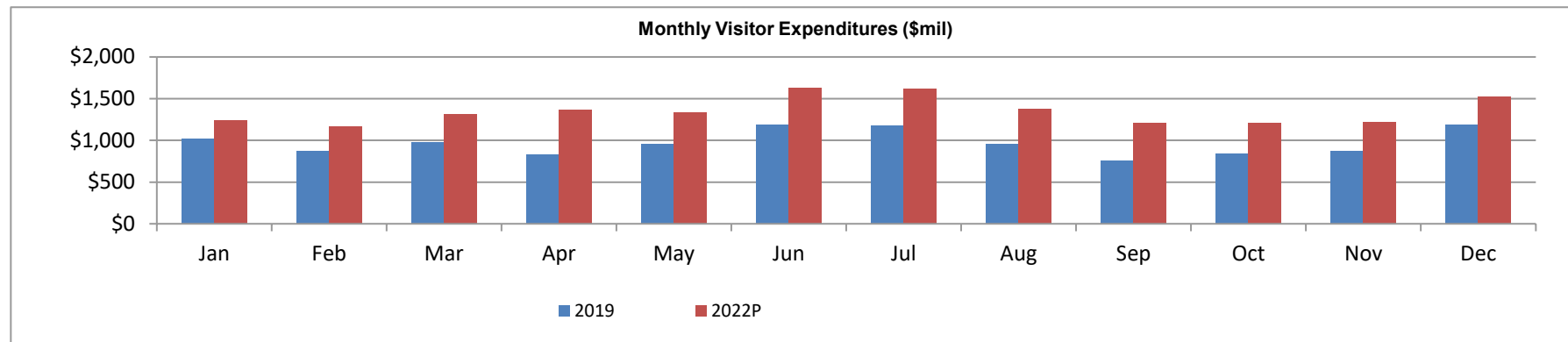
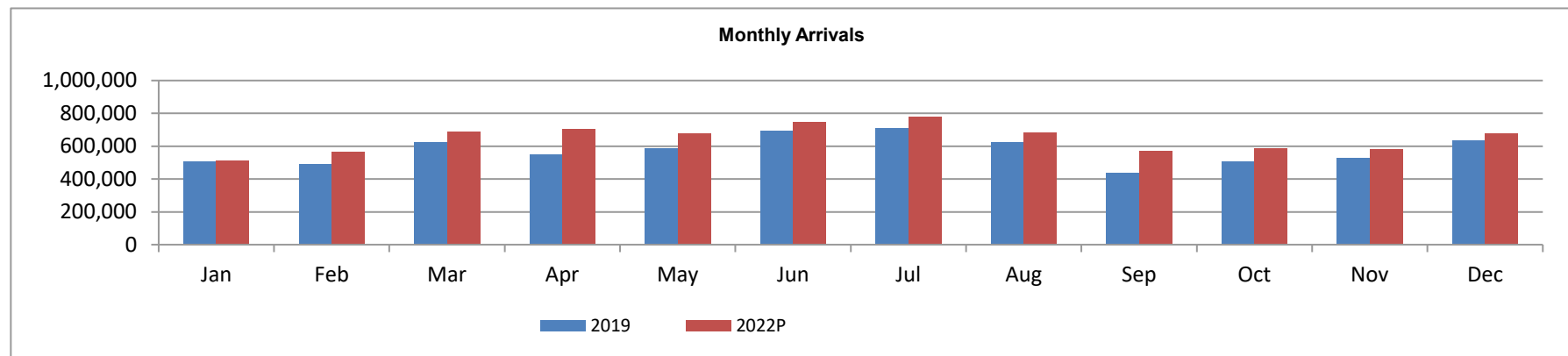
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 38.9%	11,636.2	16,166.1	16,236.3	O'ahu	15.3%	3,836,289
Daily Spend (\$PPPD)	↑ 22.6%	188.3	230.8	227.9	Maui	2.9%	2,521,070
Visitor Days	↑ 13.4%	61,786,807	70,044,466	71,234,186	Moloka'i	-17.8%	35,010
Arrivals	↑ 12.9%	6,871,839	7,760,131	7,850,503	Lāna'i	-6.6%	55,855
Daily Census	↑ 13.4%	169,279	191,903	195,162	Kaua'i	6.3%	1,207,081
Airlift (scheduled seats) [^]	↑ 13.6%	9,746,790	11,076,479	11,116,554	Hawai'i Island	15.7%	1,447,168

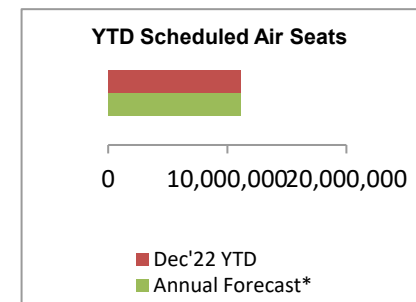
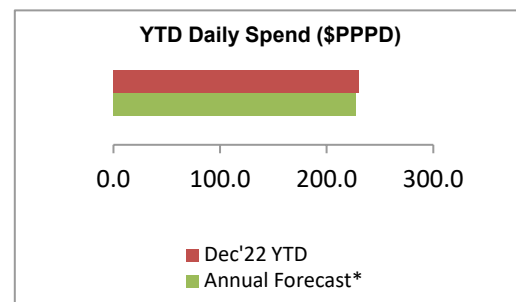
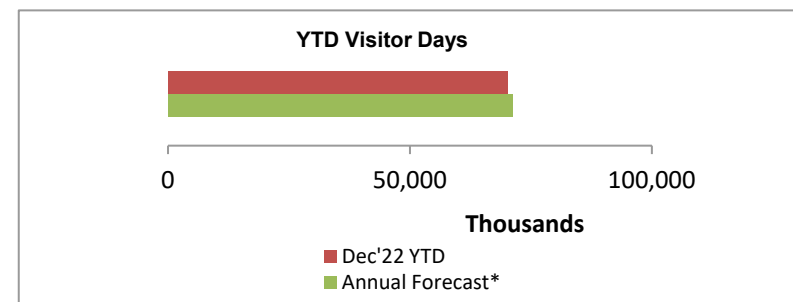
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **U.S. WEST**

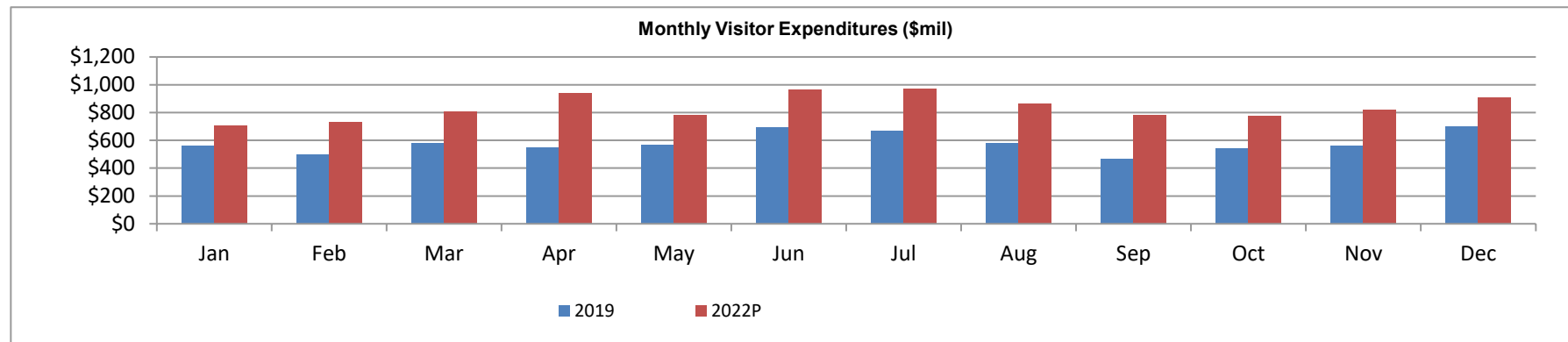
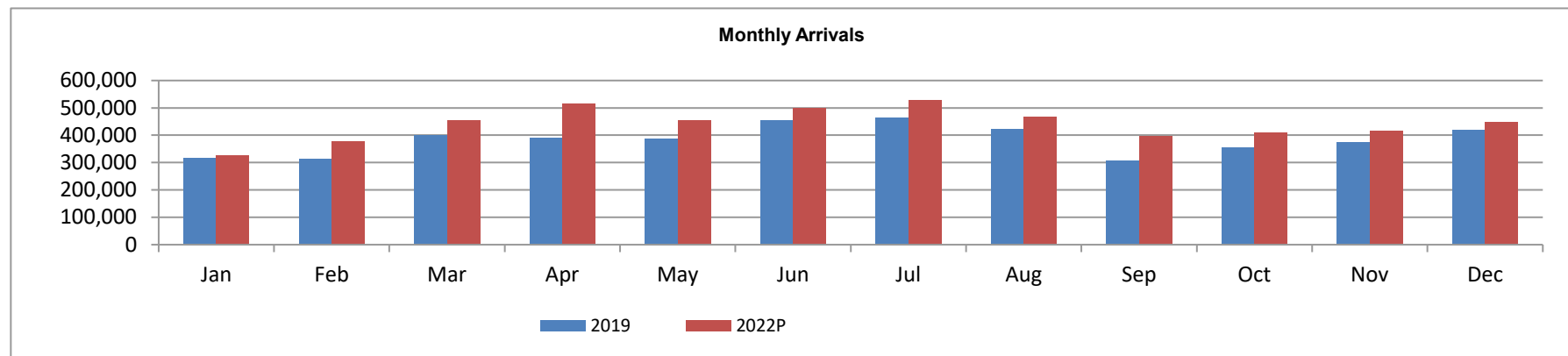
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 44.6%	6,952.0	10,052.9	9,946.1	O'ahu	21.0%	2,427,618
Daily Spend (\$PPPD)	↑ 26.2%	174.9	220.7	216.5	Maui	2.6%	1,658,091
Visitor Days	↑ 14.6%	39,752,689	45,558,089	45,934,614	Moloka'i	-14.4%	22,110
Arrivals	↑ 15.0%	4,595,319	5,286,825	5,312,878	Lāna'i	-0.6%	31,493
Daily Census	↑ 14.6%	108,911	124,817	125,848	Kaua'i	10.9%	810,380
Airlift (scheduled seats) [^]	↑ 14.6%	8,564,295	9,813,512	9,849,899	Hawai'i Island	18.1%	929,087

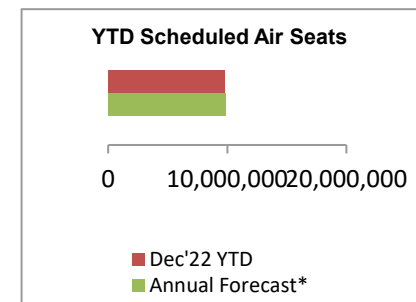
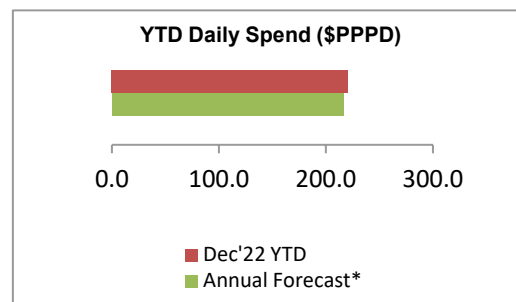
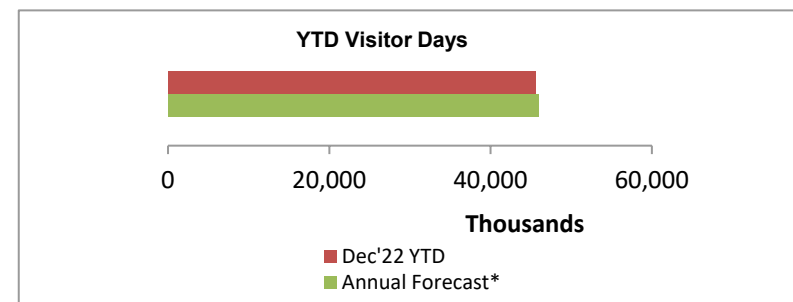
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **U.S. EAST**

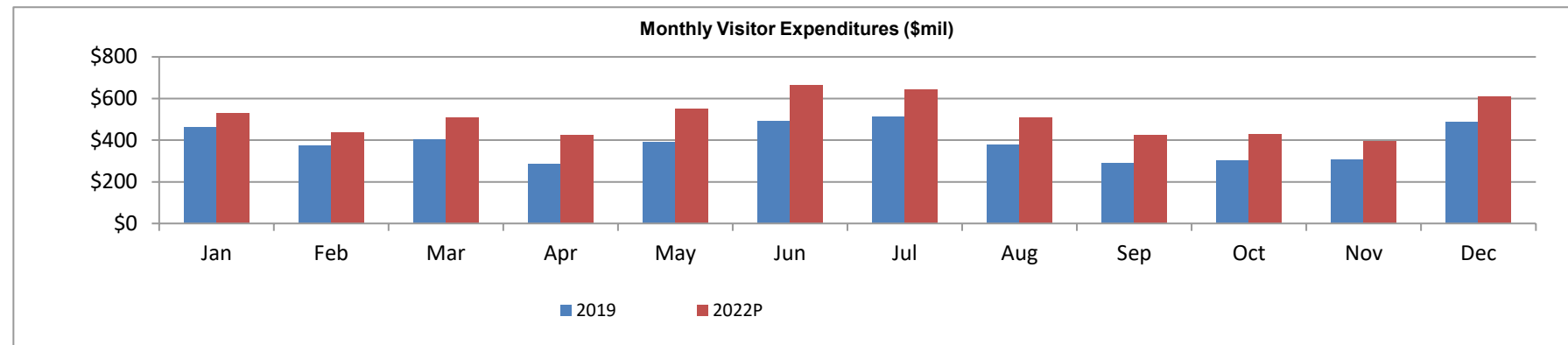
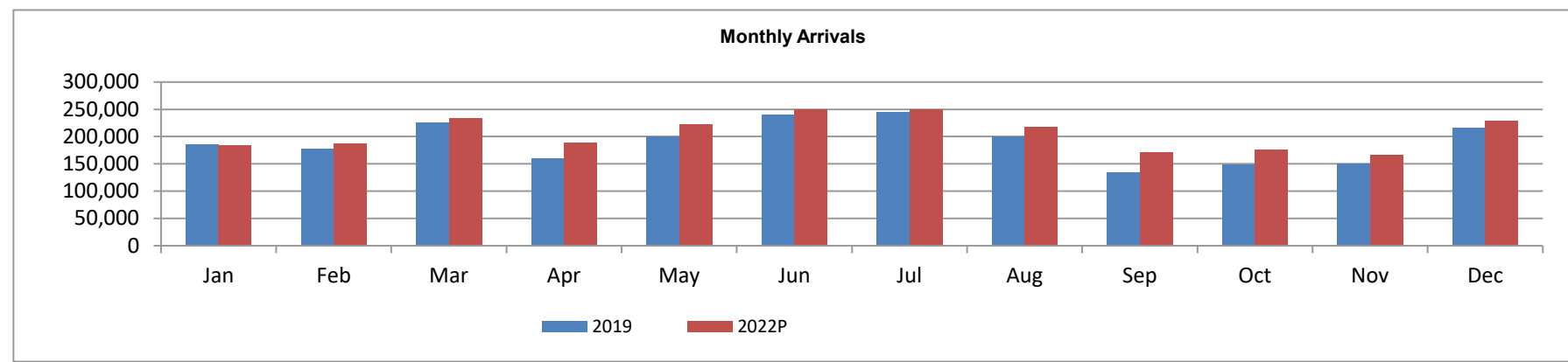
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 30.5%	4,684.2	6,113.2	6,290.2	O'ahu	6.6%	1,408,671
Daily Spend (\$PPPD)	↑ 17.4%	212.6	249.7	248.6	Maui	3.6%	862,979
Visitor Days	↑ 11.1%	22,034,119	24,486,377	25,299,572	Moloka'i	-23.1%	12,899
Arrivals	↔ 8.6%	2,276,520	2,473,306	2,537,626	Lāna'i	-13.4%	24,363
Daily Census	↑ 11.1%	60,367	67,086	69,314	Kaua'i	-2.0%	396,701
Airlift (scheduled seats) [^]	↔ 6.8%	1,182,495	1,262,967	1,266,655	Hawai'i Island	11.5%	518,081

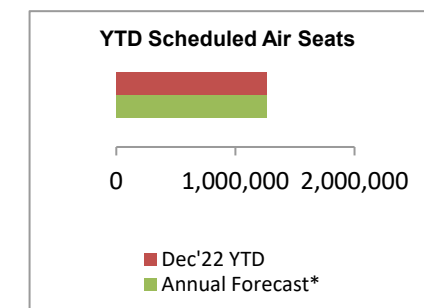
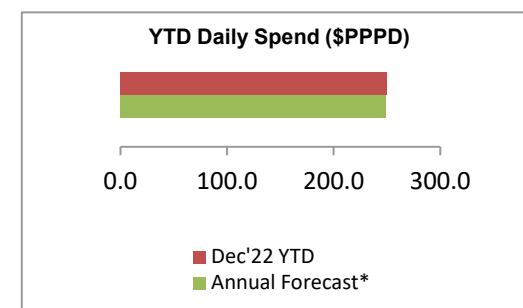
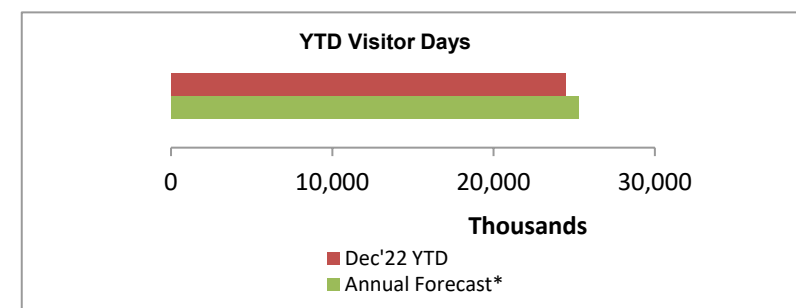
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Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **JAPAN**

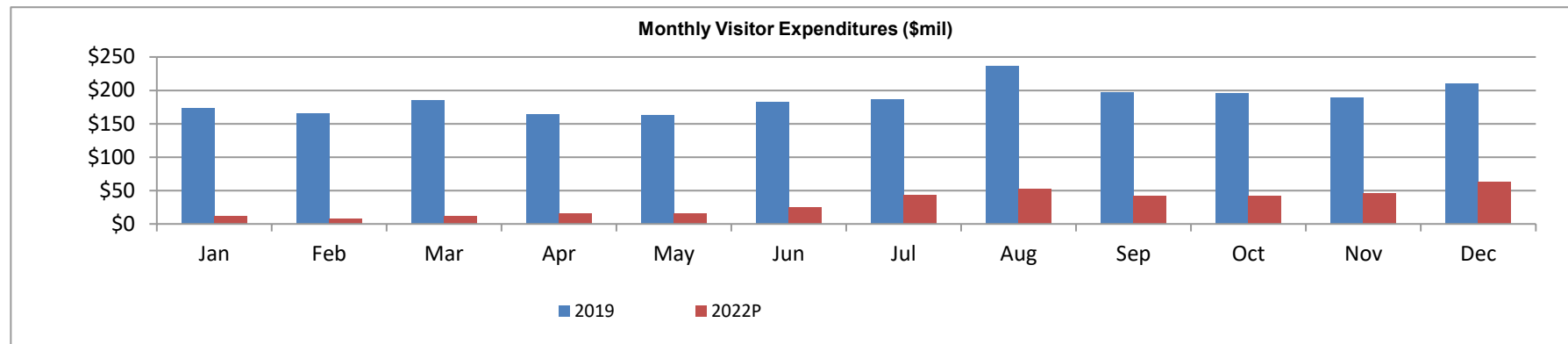
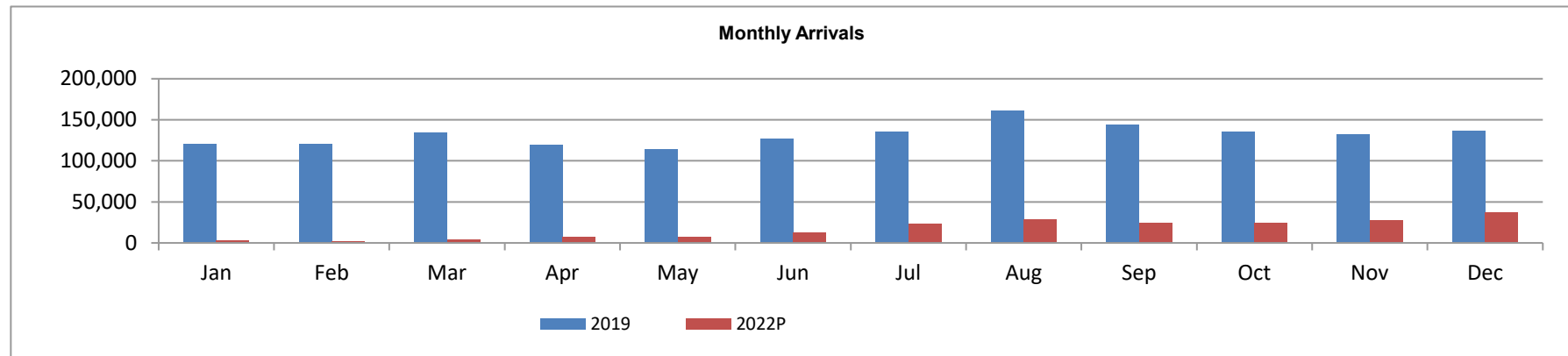
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -83.3%	2,248.3	376.3	468.1	O'ahu	-87.0%	193,555
Daily Spend (\$PPPD)	↔ -3.4%	241.6	233.5	231.2	Maui	-87.8%	5,679
Visitor Days	↓ -82.7%	9,306,767	1,611,798	2,024,134	Moloka'i	-90.3%	189
Arrivals	↓ -87.3%	1,576,205	199,760	209,890	Lāna'i	-85.4%	335
Daily Census	↓ -82.7%	25,498	4,416	5,546	Kaua'i	-88.3%	2,956
Airlift (scheduled seats) [^]	↓ -76.0%	1,999,204	479,146	481,092	Hawai'i Island	-90.5%	16,163

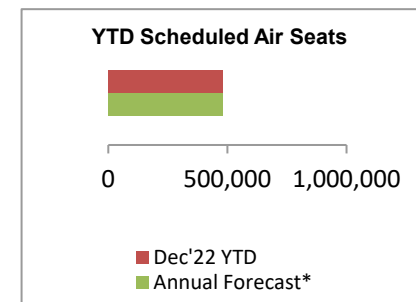
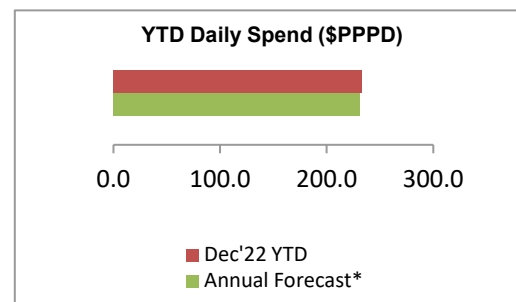
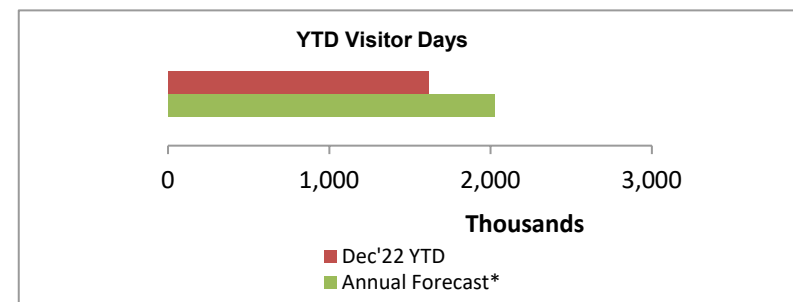
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Monthly Indicators



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HTA Key Performance Indicators Dashboard

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HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **CANADA**

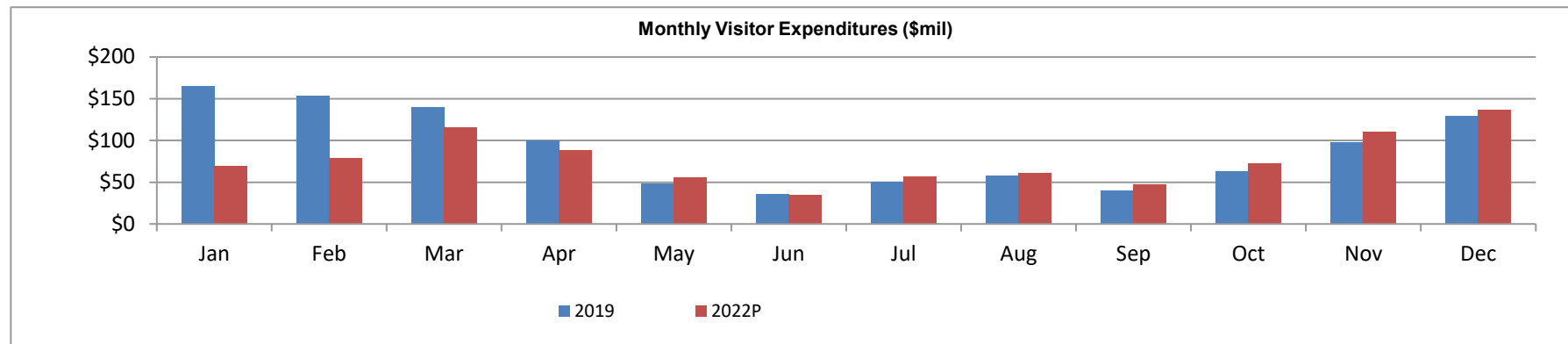
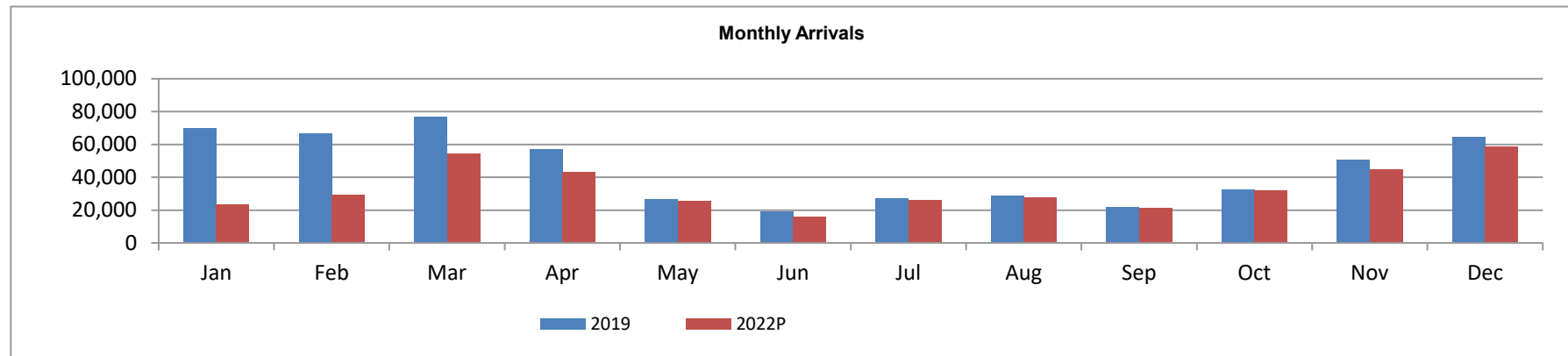
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -14.2%	1,081.5	928.2	876.2	O'ahu	-17.0%	188,741
Daily Spend (\$PPPD)	↑ 14.1%	165.0	188.3	182.4	Maui	-29.1%	196,139
Visitor Days	↓ -24.8%	6,554,493	4,928,356	4,802,897	Moloka'i	-57.4%	2,064
Arrivals	↓ -26.0%	540,103	399,869	379,885	Lāna'i	-16.7%	4,746
Daily Census	↓ -24.8%	17,958	13,502	13,159	Kaua'i	-41.9%	44,615
Airlift (scheduled seats) [^]	↔ 0.5%	484,613	487,215	487,215	Hawai'i Island	-31.9%	66,548

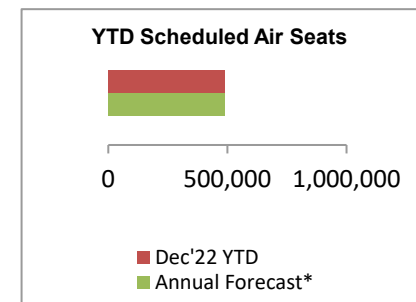
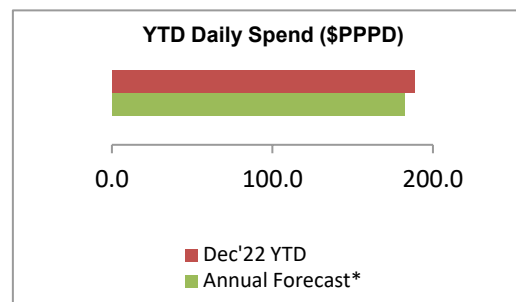
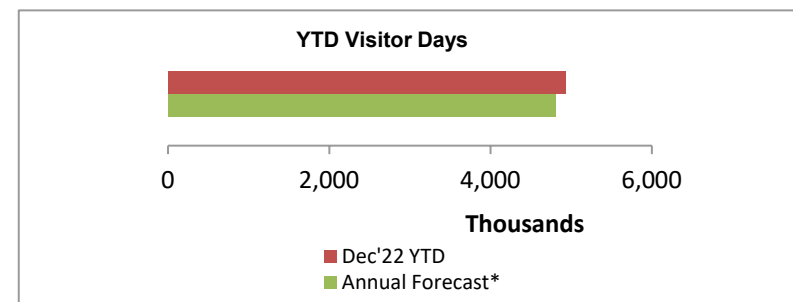
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Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

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HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **OCEANIA**

Key Performance Indicators

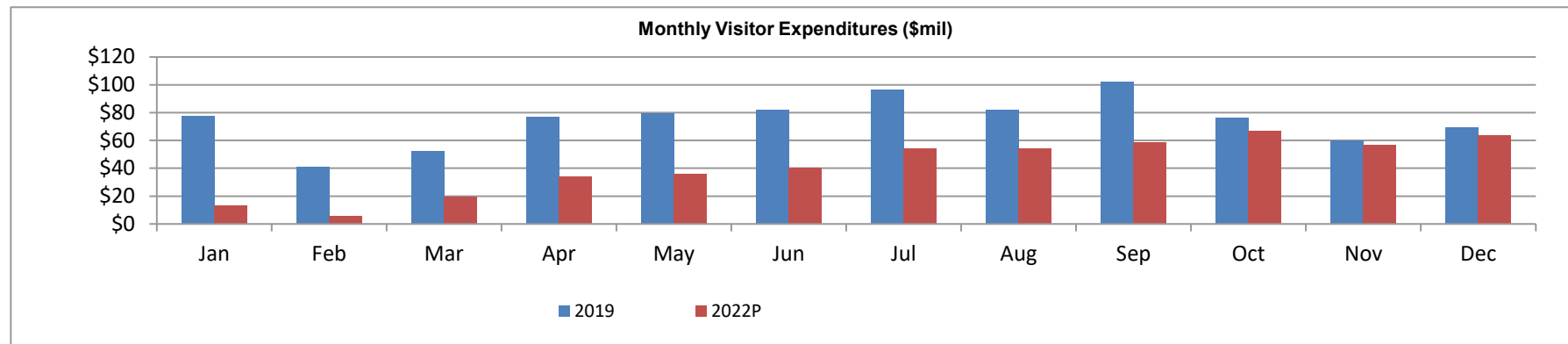
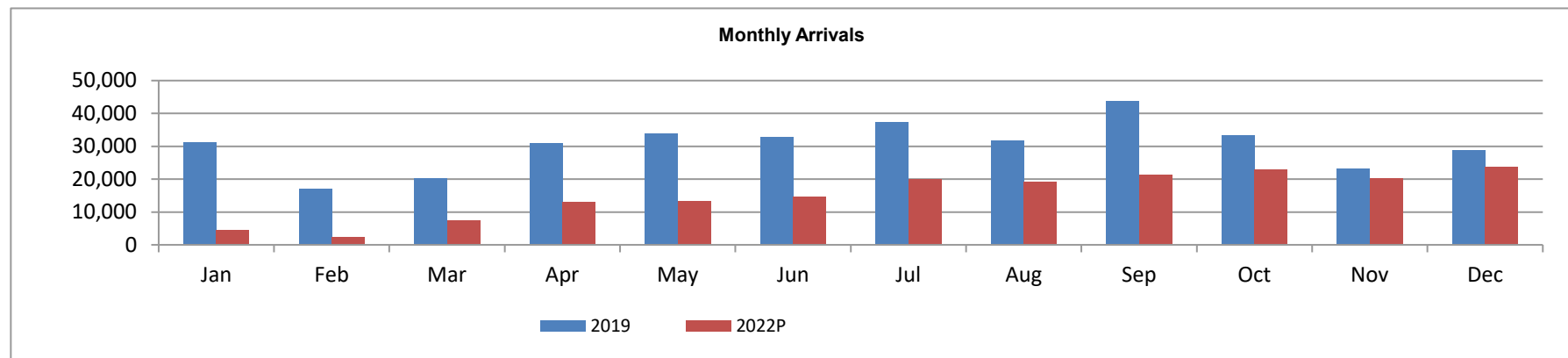
	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*
Visitor Spending (\$mil)	↓ -43.7%	895.1	503.7	409.2
Daily Spend (\$PPPD)	↔ 9.0%	261.7	285.2	277.9
Visitor Days	↓ -48.4%	3,420,593	1,765,891	1,472,261
Arrivals	↓ -49.9%	363,551	181,979	150,711
Daily Census	↓ -48.4%	9,371	4,838	4,034
Airlift (scheduled seats) [^]	↓ -50.7%	494,582	243,825	244,830

	YOY Rate	YTD
O'ahu	-50.1%	177,866
Maui	-57.8%	25,553
Moloka'i	-70.8%	1,368
Lāna'i	-70.1%	1,834
Kaua'i	-65.4%	11,119
Hawai'i Island	-60.9%	18,539

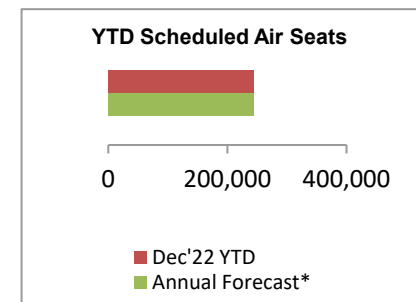
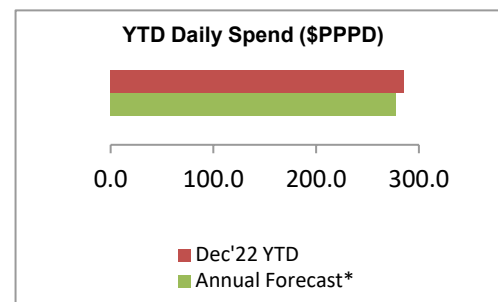
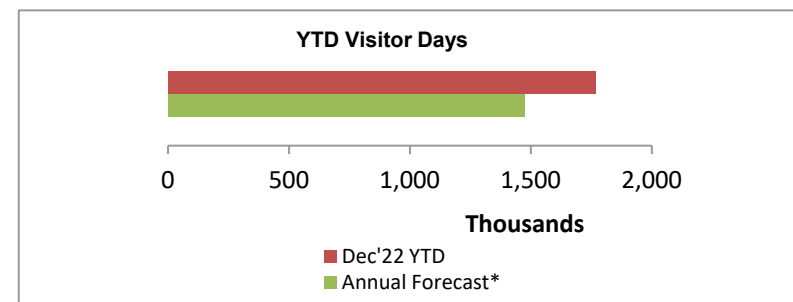
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Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

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HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **OTHER ASIA**

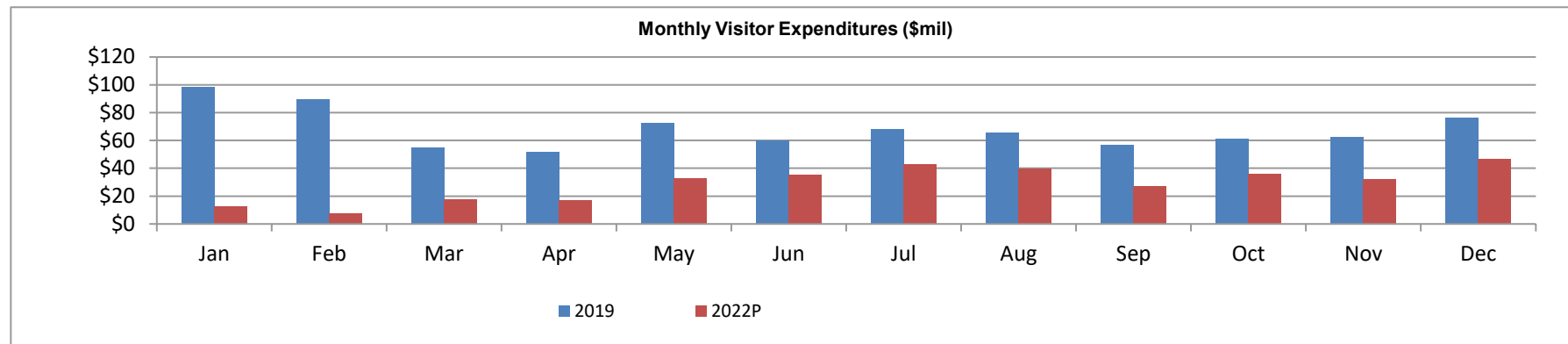
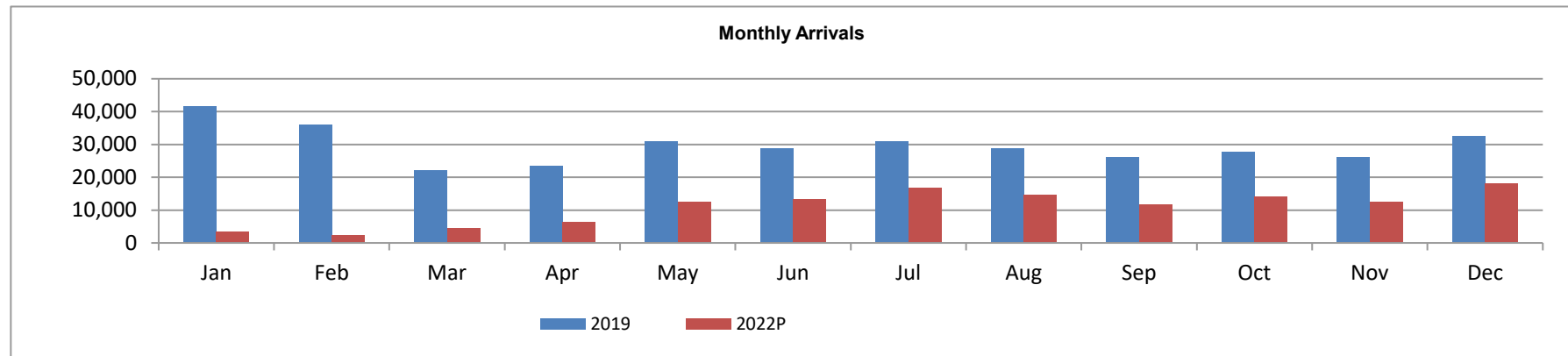
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -57.6%	816.7	346.5	N/A	O'ahu	-64.4%	123,222
Daily Spend (\$PPPD)	↔ 3.4%	293.6	303.5	N/A	Maui	-72.7%	14,944
Visitor Days	↓ -59.0%	2,781,593	1,141,613	N/A	Moloka'i	-83.1%	293
Arrivals	↓ -63.4%	354,680	129,978	N/A	Lāna'i	-77.0%	350
Daily Census	↓ -59.0%	7,621	3,128	N/A	Kaua'i	-67.4%	4,118
Airlift (scheduled seats) [^]	↓ -55.0%	482,717	217,245	217,245	Hawai'i Island	-70.4%	20,075

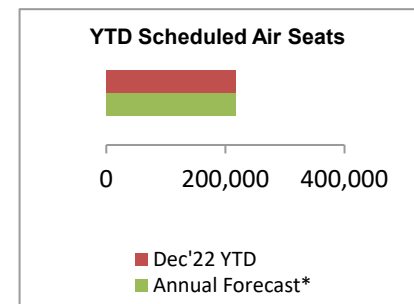
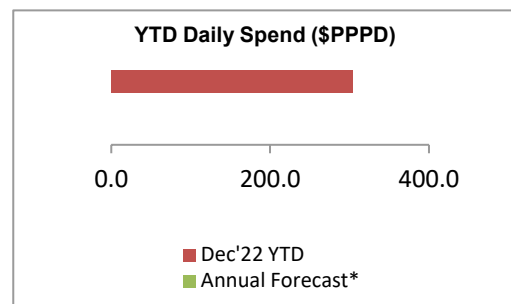
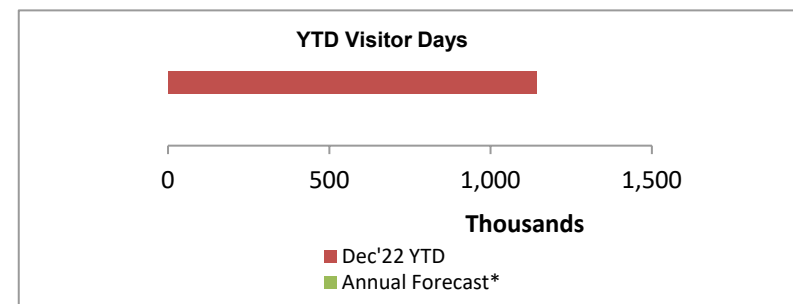
* DBEDT Annual Forecast as of Q3 2022.

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Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **KOREA**

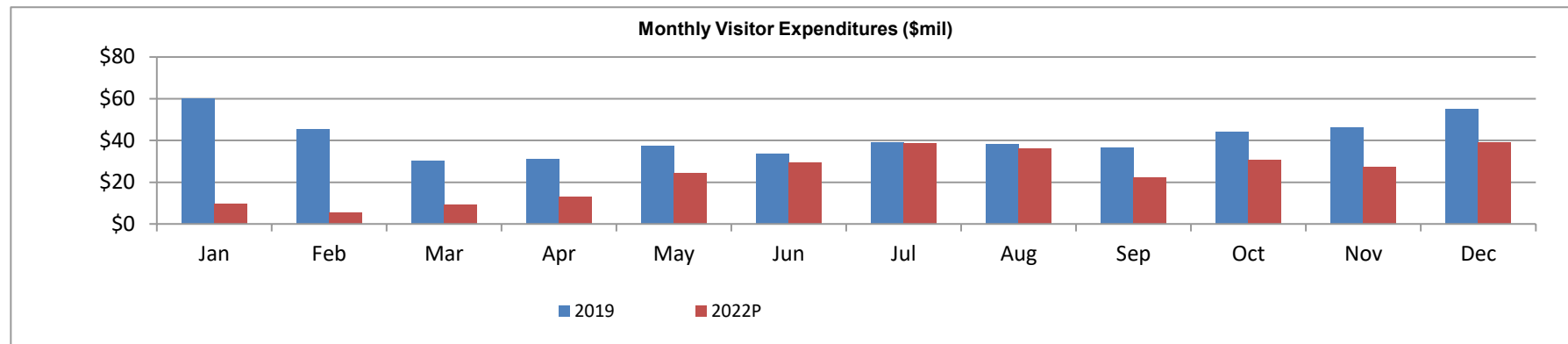
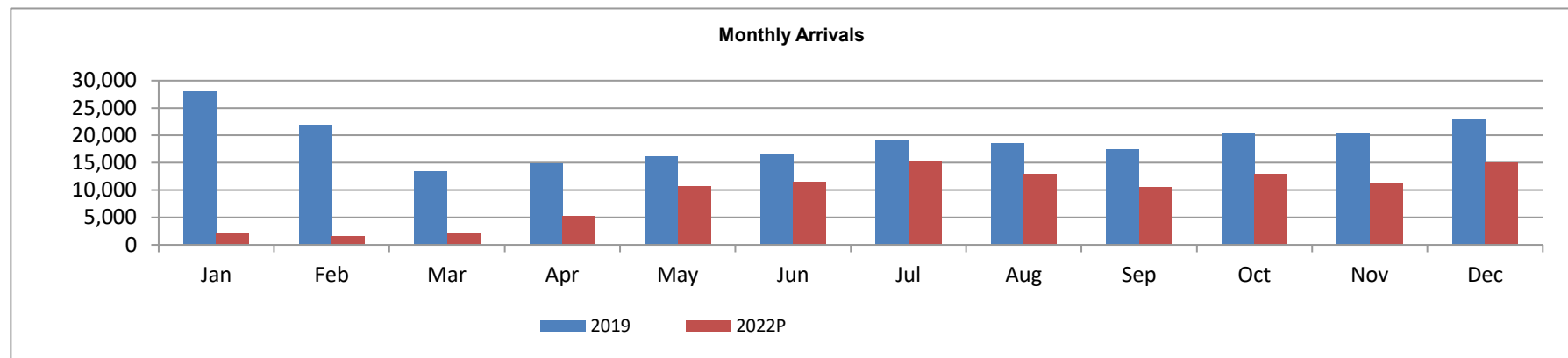
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -42.7%	497.9	285.4	252.0	O'ahu	-51.7%	108,927
Daily Spend (\$PPPD)	↔ 2.9%	285.2	293.5	288.7	Maui	-63.2%	10,798
Visitor Days	↓ -44.3%	1,745,666	972,209	872,630	Moloka'i	-81.0%	161
Arrivals	↓ -51.4%	229,056	111,298	94,014	Lāna'i	-67.2%	164
Daily Census	↓ -44.3%	4,783	2,664	2,391	Kaua'i	-65.8%	2,460
Airlift (scheduled seats) [^]	↓ -33.4%	326,398	217,245	217,245	Hawai'i Island	-39.7%	15,228

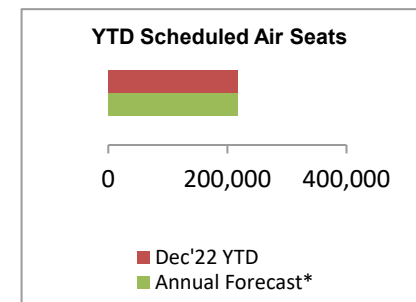
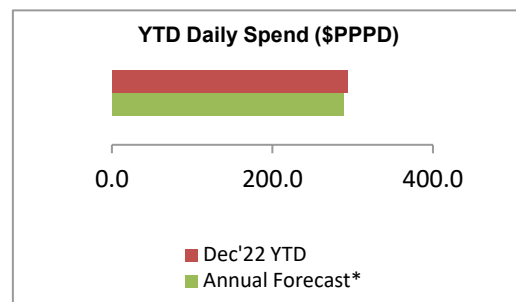
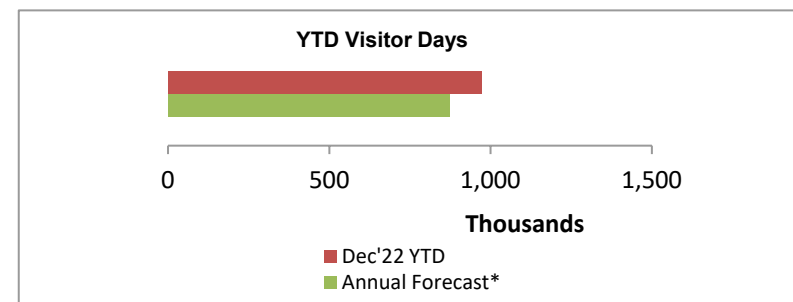
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Monthly Indicators



Annual Indicators



HTA Key Performance Indicators Dashboard

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HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **CHINA**

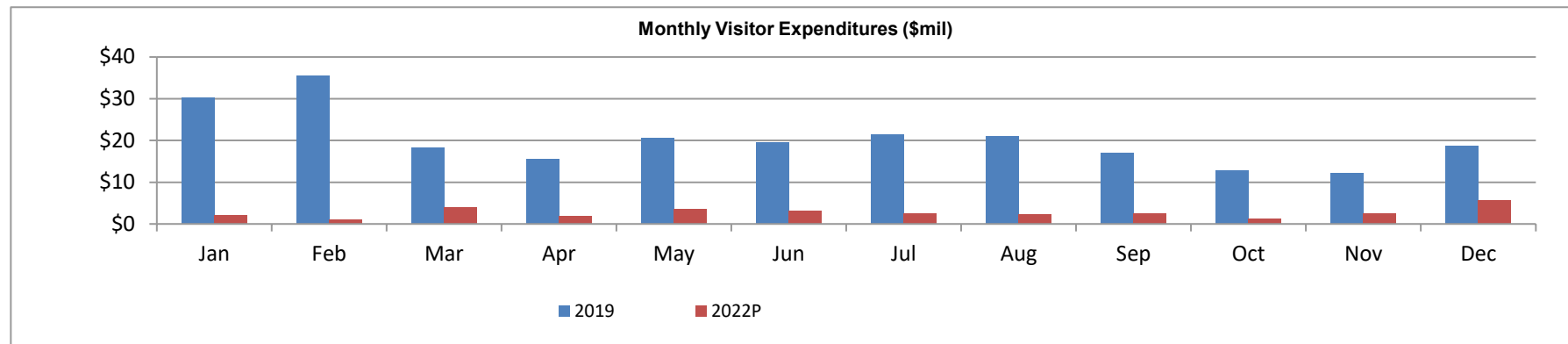
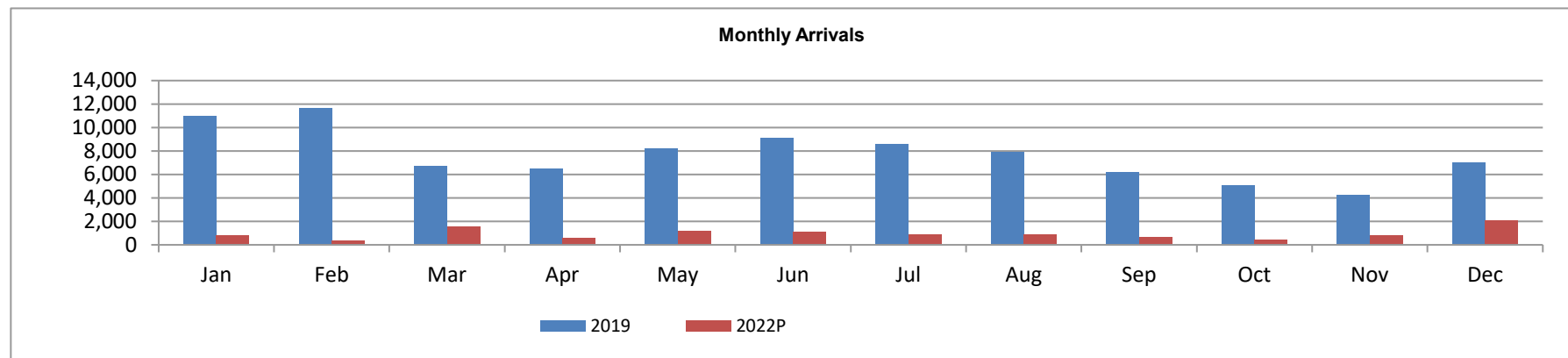
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -86.7%	242.8	32.3	N/A	O'ahu	-89.6%	9,200
Daily Spend (\$PPPD)	↔ 4.0%	329.0	342.1	N/A	Maui	-88.1%	2,312
Visitor Days	↓ -87.2%	737,950	94,472	N/A	Moloka'i	-88.0%	86
Arrivals	↓ -87.8%	92,082	11,210	N/A	Lāna'i	-88.1%	101
Daily Census	↓ -87.2%	2,022	259	N/A	Kaua'i	-81.3%	709
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	-90.5%	3,268

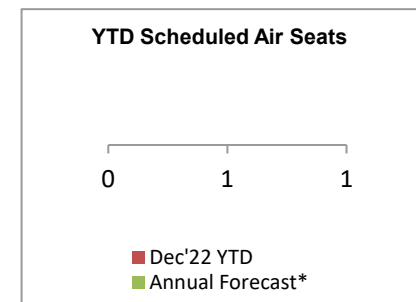
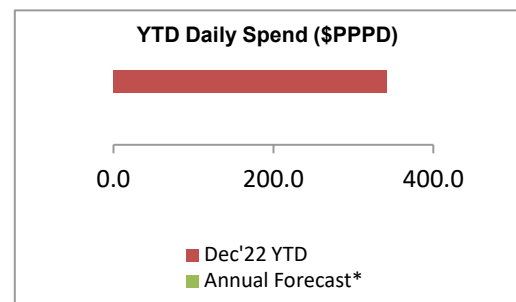
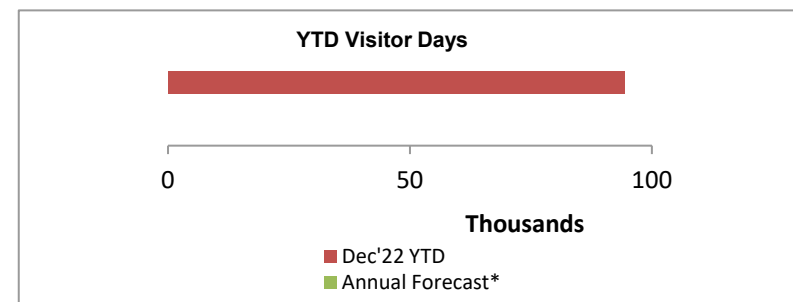
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Monthly Indicators



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HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **EUROPE**

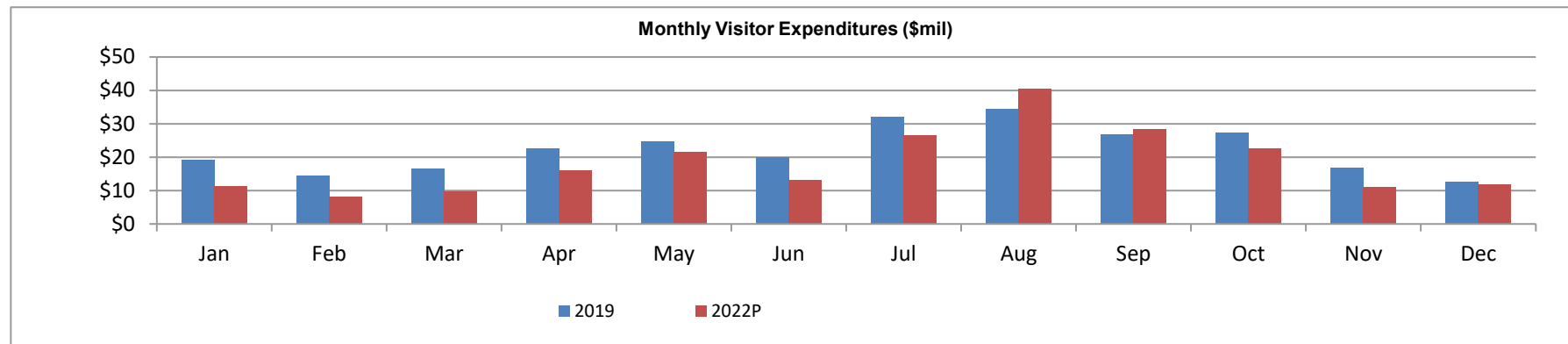
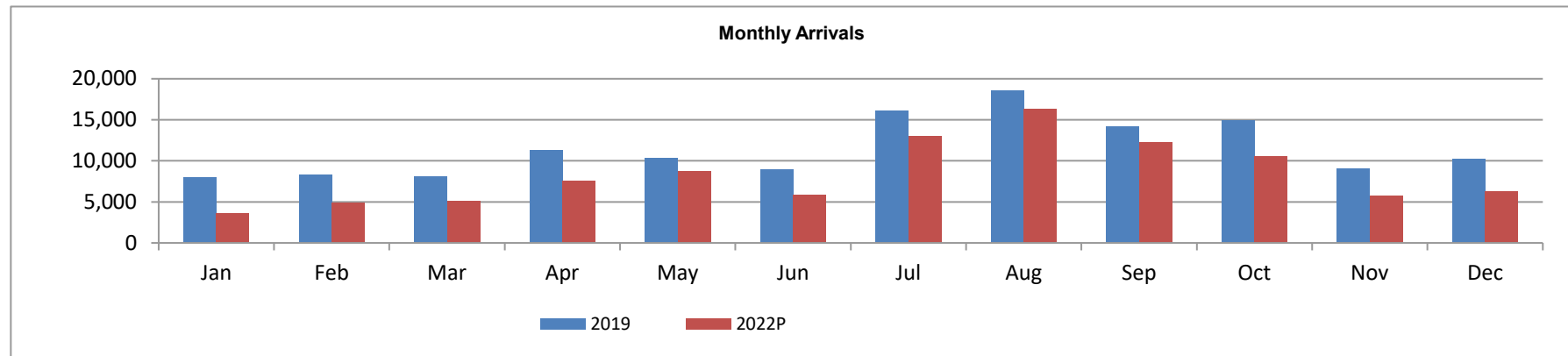
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -17.5%	268.1	221.1	185.4	O'ahu	-31.4%	70,096
Daily Spend (\$PPPD)	↔ 5.9%	150.6	159.4	156.2	Maui	-31.1%	41,744
Visitor Days	↓ -22.1%	1,780,190	1,386,804	1,186,896	Moloka'i	-17.1%	1,470
Arrivals	↓ -27.7%	137,908	99,742	84,710	Lāna'i	-23.4%	1,248
Daily Census	↓ -22.1%	4,877	3,799	3,252	Kaua'i	-32.5%	23,951
Airlift (scheduled seats)^	N/A	N/A	N/A	N/A	Hawai'i Island	-19.6%	35,054

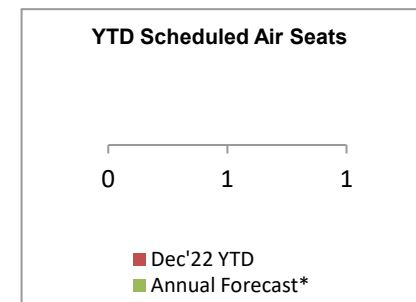
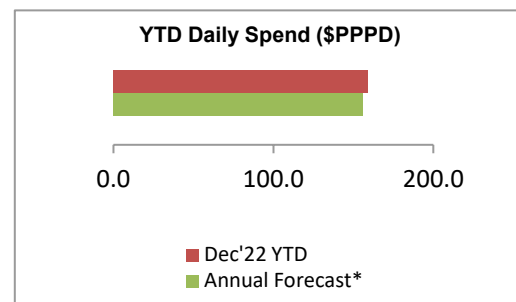
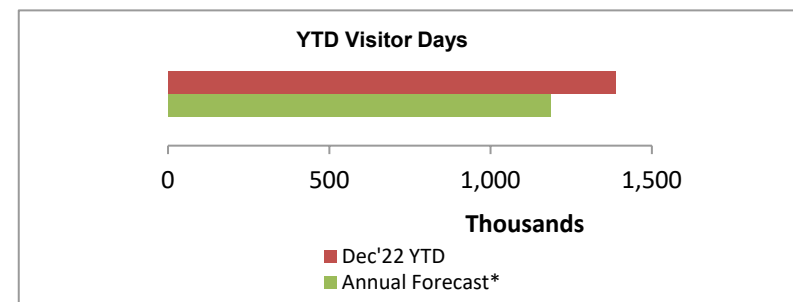
* DBEDT Annual Forecast as of Q3 2022.

^ HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



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HTA Key Performance Indicators Dashboard

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HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Dec-22** Preliminary

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

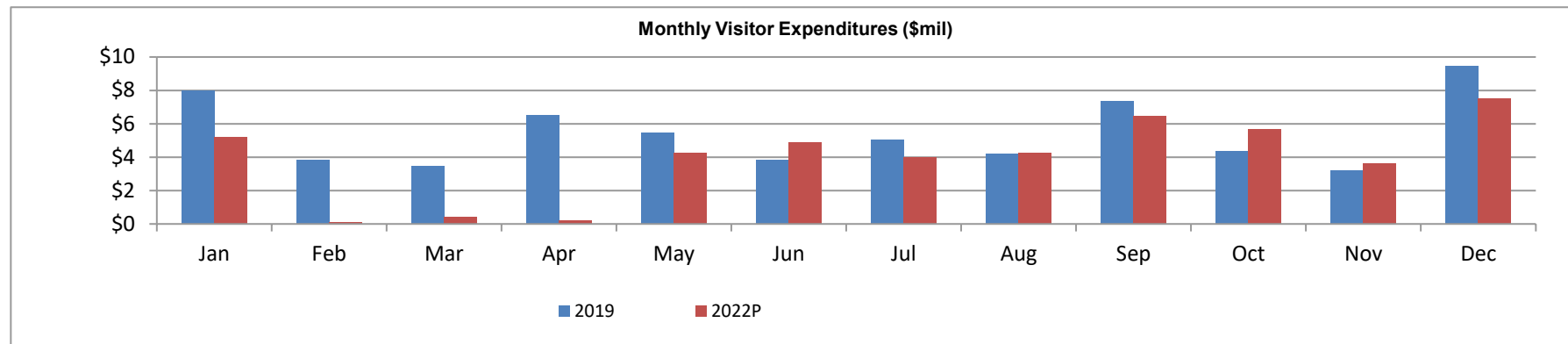
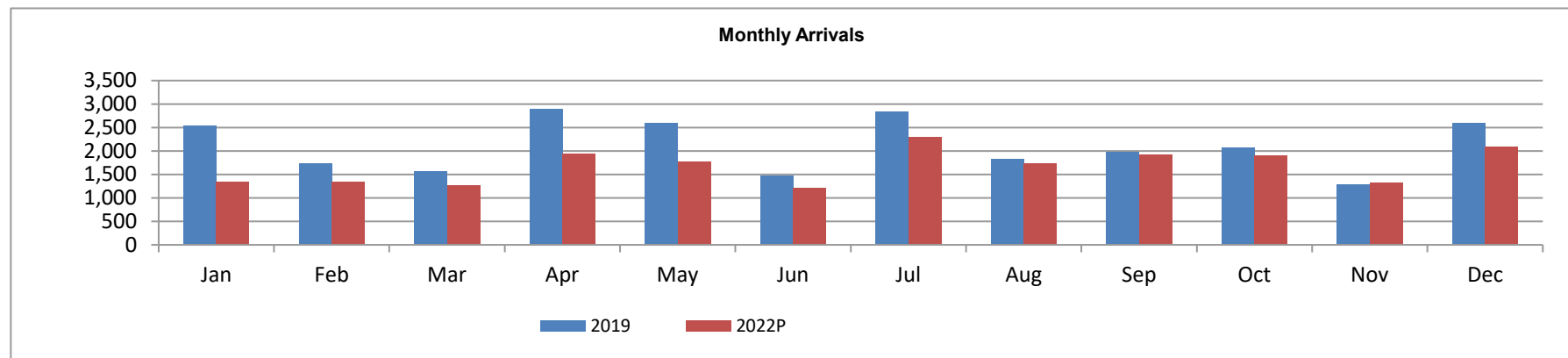
Key Performance Indicators

	YOY Rate	Dec'19 YTD	Dec'22 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -28.0%	64.7	46.6	N/A	O'ahu	-27.9%	13,735
Daily Spend (\$PPPD)	↓ -13.9%	233.7	201.1	N/A	Maui	-24.5%	6,814
Visitor Days	↓ -16.3%	276,859	231,624	N/A	Moloka'i	-58.6%	128
Arrivals	↓ -20.8%	25,344	20,078	N/A	Lāna'i	-63.7%	207
Daily Census	↓ -16.3%	759	635	N/A	Kaua'i	-36.4%	2,140
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	-16.9%	4,654

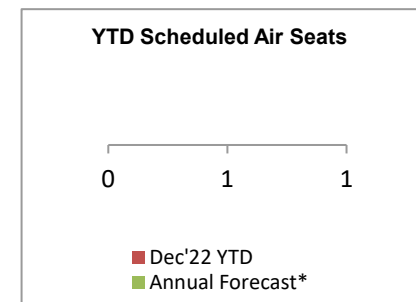
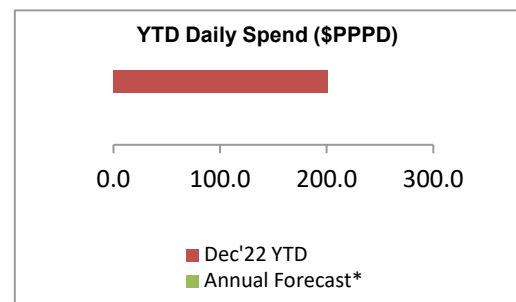
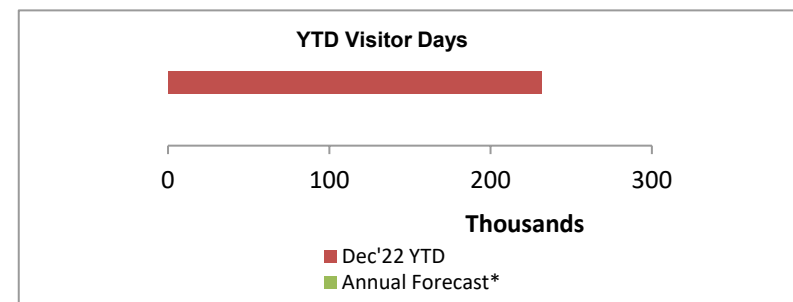
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Annual Indicators



HTA Key Performance Indicators Dashboard

* Excludes Supplemental Business Expenditures

7.4

Hawaii Air Service Update

HAWAI'I AIR SERVICE UPDATE

Jeffrey Eslinger, Senior Director Market Insights
Hawai'i Tourism United States

February 23, 2023

INDUSTRY OVERVIEW



The airline Industry is in a unique position post-pandemic



- Industry to reach profitability in 2023 – First time since COVID-19 pandemic.



- Unpredictable factors such as oil costs and ever-increasing extreme weather will continue to create more challenges for airlines.

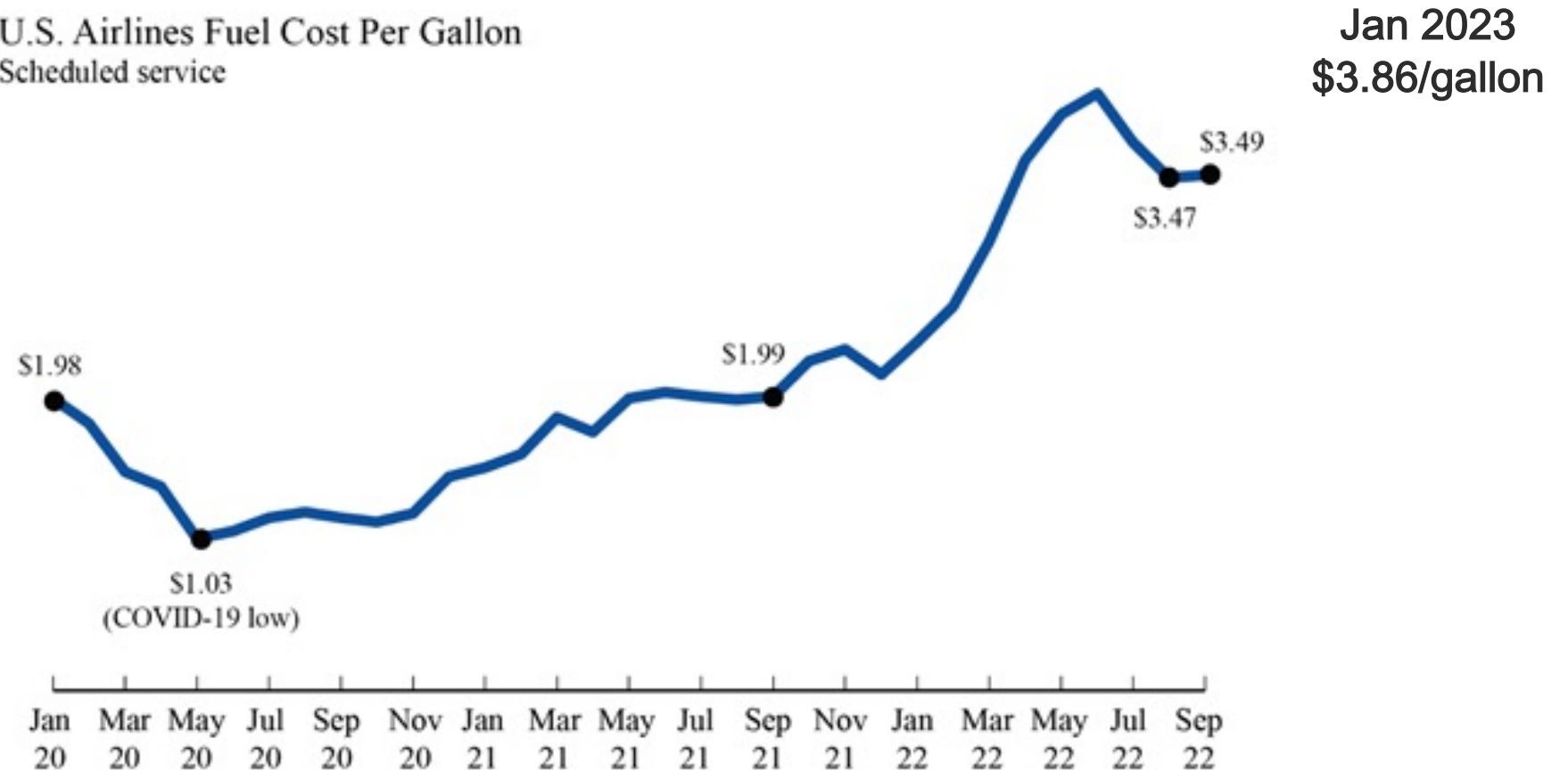
- Green air travel is a top priority for many airlines. With a rise in consumer awareness on global carbon emissions, has encouraged the industry to adjust attitudes toward climate change.



- Capacity limitations remain due to scarcity of aircraft and shortage of labor.
- Higher airfare environment going into 2023 will help to offset rising costs, higher pilot pay and other pressures.

Fuel costs are a significant but highly variable expense for airlines, constituting 19 percent of all expenditures in the past year

U.S. Airlines Fuel Cost Per Gallon
Scheduled service



Fuel Surcharges Impacting Demand – Each Way



Originating Flights on tickets issued Dec. 2022-March 31, 2023 to Hawai'i 30,500 Yen (\$227.7)



Originating Flights on tickets issued Dec. 2022-March 31, 2023 to Hawai'i 31,100 Yen (\$232.2)



Originating Flights on tickets issued Dec. 2022 –March 31, 2023 to Hawai'i 118,300 KRW (\$91.8)



Originating Flights on tickets issued Dec. 2022 –March 31, 2023 to Hawai'i 128,600 KRW (\$99.8)

HAWAI‘I SERVICE OVERVIEW

(HISTORIC AND FORECASTED)

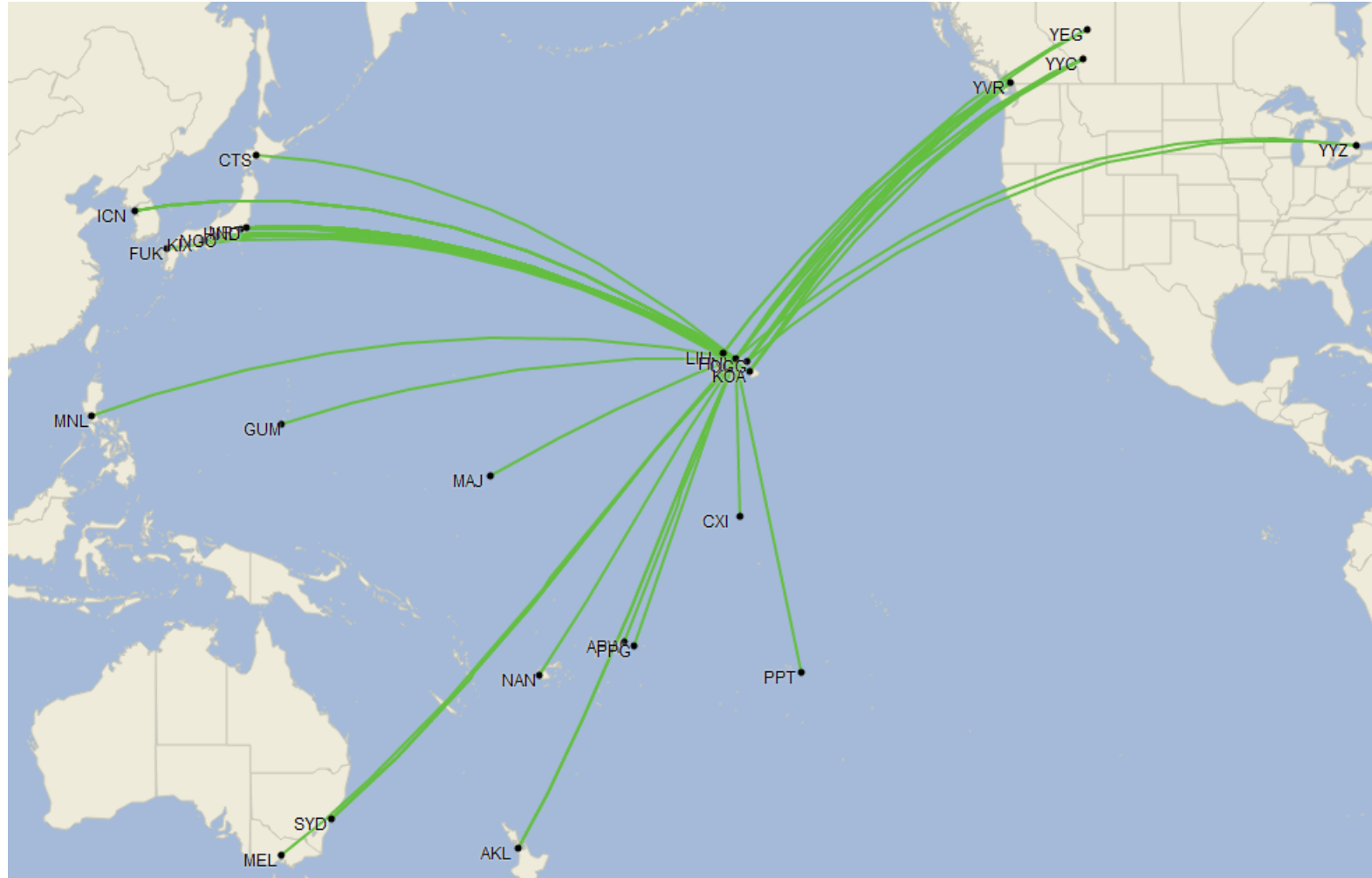
Air Carriers to Hawai'i – 19 Carriers



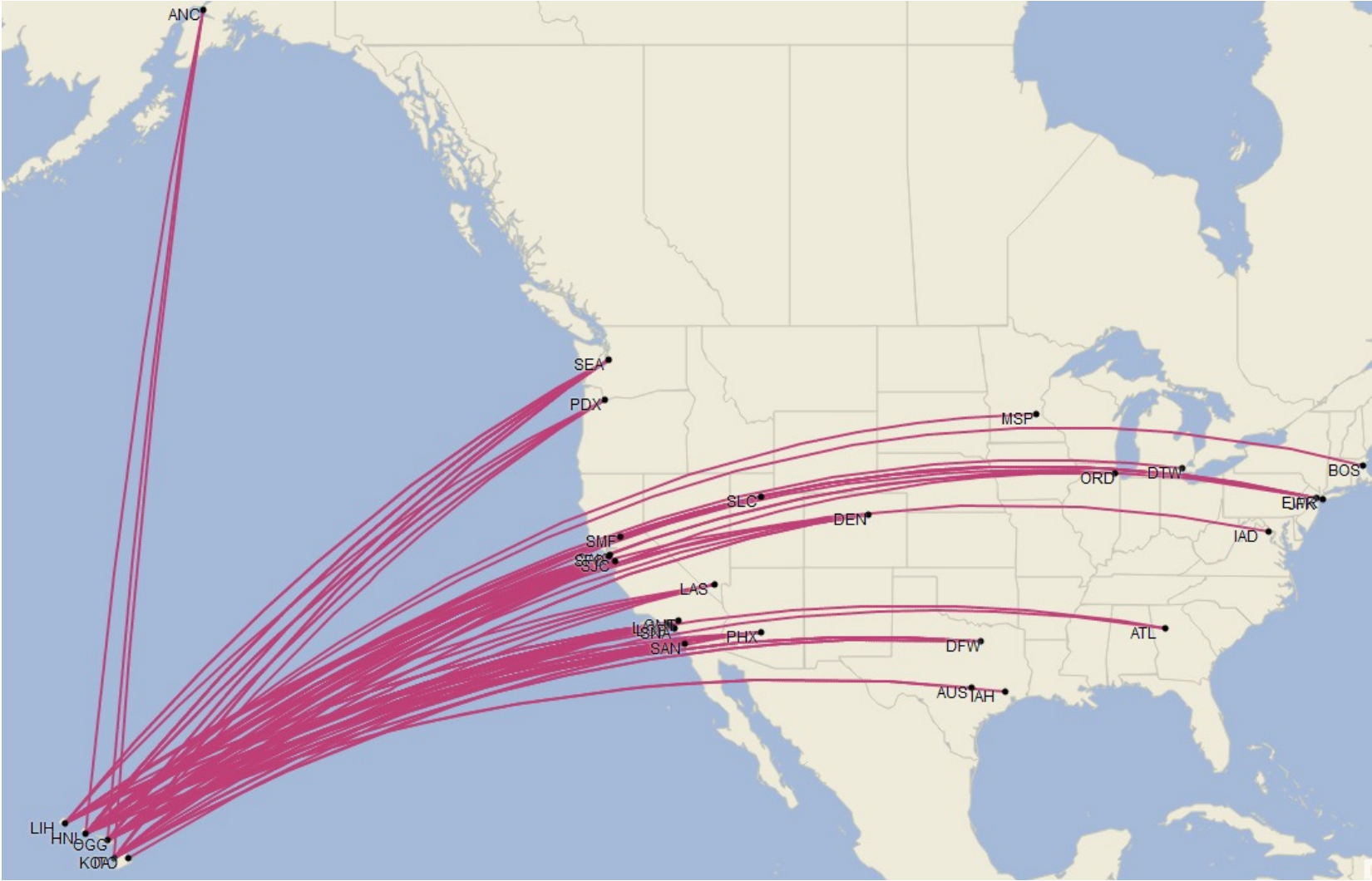
2022P Scheduled Non-Stop Transpacific Seats into Hawai'i (all airports) by Airline

Airline	Seats	Flights
Hawaiian Airlines	3,045,940	12,784
United Airlines	2,862,864	12,304
Southwest Airlines	1,867,250	10,670
Alaska Airlines	1,526,112	9,206
American Airlines	1,300,182	5,980
Delta Air Lines	1,137,930	5,090
WestJet	260,826	1,353
Air Canada	226,389	1,120
Japan Airlines Co., Ltd.	183,833	886
Korean Air Lines	101,258	285
All Nippon Airways Co. Ltd.	93,394	305
Jetstar Airways	72,025	215
Qantas Airways Ltd.	64,152	216
Philippine Airlines	55,620	180
Asiana Airlines	52,419	175
ZIPAIR Tokyo Inc.	37,182	190
Air New Zealand Limited	23,404	80
Fiji Airways	11,318	67
TOTAL	12,922,098	61,106

Non-Stop International Markets into Hawai'i (all airports)



Non-Stop U.S. Markets into Hawai'i (all airports)



Highlights of additional service

November/December 2022

Atlanta –Maui on Delta – New Service

JFK –Honolulu on Delta – Seasonal now Scheduled

Detroit – Honolulu on Delta - Restored

March 2023

Tokyo NRT– Honolulu on United - Restored

Tokyo HND – Honolulu on Delta - Restored

April 2023

Fukuoka – Honolulu on Hawaiian - Restored

May 2023

Cook Islands/Rarotonga – Honolulu on Hawaiian – New

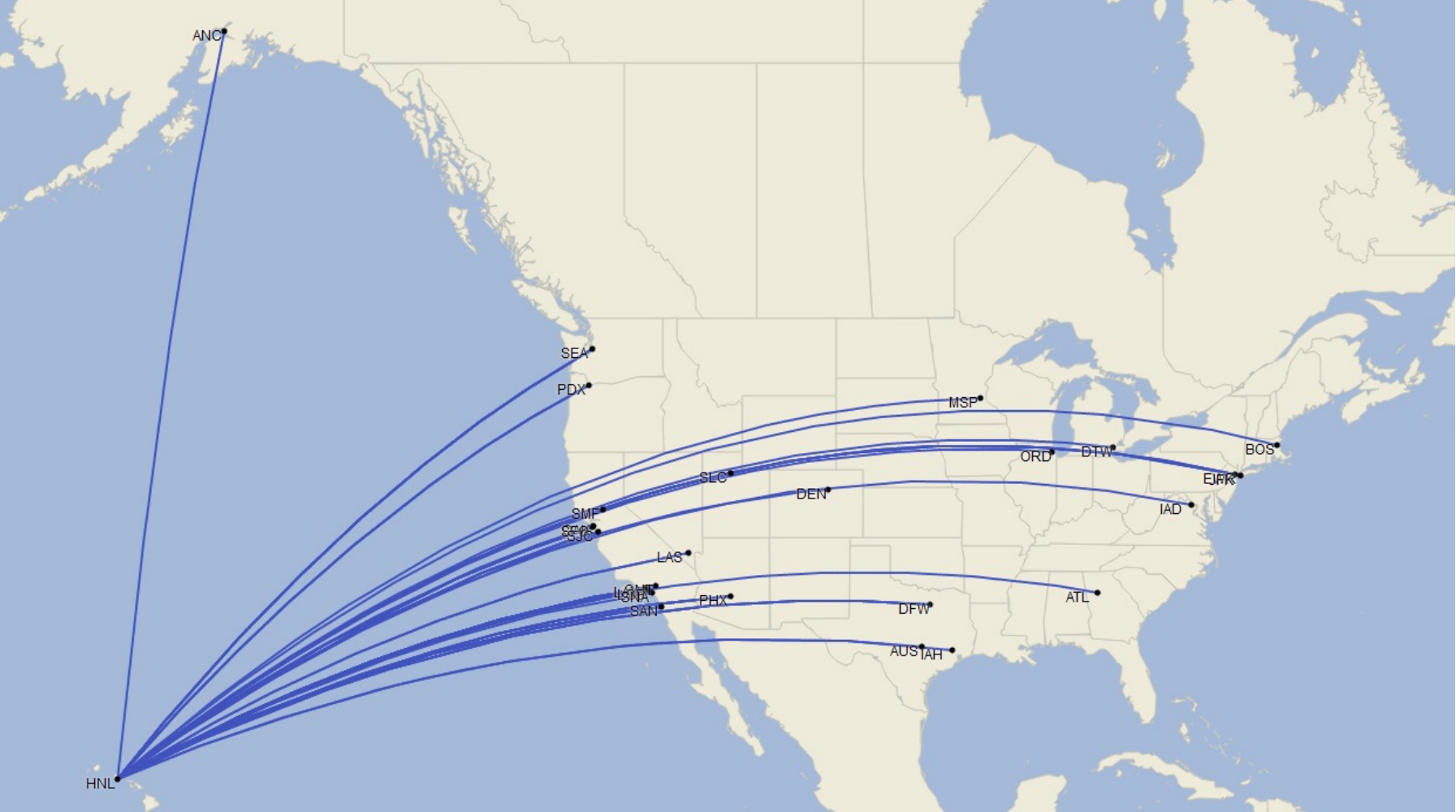


Non-Stop Origins into Honolulu (HNL)

Anchorage, AK, US
Atlanta, GA, US
Auckland, NZ
Calgary, AB, CA
Chicago-O'Hare, IL, US
Dallas/Fort Worth, TX, US
Denver, CO, US
Detroit, MI, US
Fukuoka, JP
Guam, TR, US
Houston-Intercontinental, TX, US
Kiritimati, KĪ
Las Vegas, NV, US
Long Beach, CA, US
Los Angeles, CA, US
Majuro, MH
Melbourne, VI, AU
Minneapolis/St. Paul, MN, US
Nagoya, JP

New York-JFK, NY, US
Newark, NJ, US
Oakland, CA, US
Ontario, CA, US
Osaka-Kansai, JP
Phoenix, AZ, US
Portland, OR, US
Sacramento, CA, US
Salt Lake City, UT, US
San Diego, CA, US
San Francisco, CA, US
San Jose, CA, US
Sapporo, JP
Seattle, WA, US
Seoul, KR
Sydney, NS, AU
Tokyo-Haneda, JP
Tokyo-Narita, JP
Vancouver, BC, CA
Washington-Dulles, VA, US

Non-Stop U.S. Markets into Honolulu (HNL)



Source: DiiO Mii

Non-Stop Origins into Kahului/Maui (OGG)

Anchorage, AK, US*	Phoenix, AZ, US
Atlanta, GA, US*	Portland, OR, US
Calgary, AB, CA*	Sacramento, CA, US
Chicago-O'Hare, IL, US	Salt Lake City, UT, US*
Dallas/Fort Worth, TX, US	San Diego, CA, US
Denver, CO, US	San Francisco, CA, US
Edmonton, AB, CA*	San Jose, CA, US
Las Vegas, NV, US	Seattle, WA, US
Long Beach, CA, US	Toronto, ON, CA*
Los Angeles, CA, US	Vancouver, BC, CA
Newark, NJ, US*	

Non-Stop Origins into Kahului/Maui (OGG)



Non-Stop Origins into Kona/Hilo (KOA/ITO)

Anchorage, AK, US

Calgary, AB, CA*

Chicago-O'Hare, IL, US

Denver, CO, US

Las Vegas, NV, US

Los Angeles, CA, US - Kona

Los Angeles, CA, US – Hilo Ended Jan 7th

Oakland, CA, US

Phoenix, AZ, US

Portland, OR, US

San Diego, CA, US

San Francisco, CA, US

San Jose, CA, US

Seattle, WA, US

Tokyo-Haneda, JP

Tokyo-Narita, JP

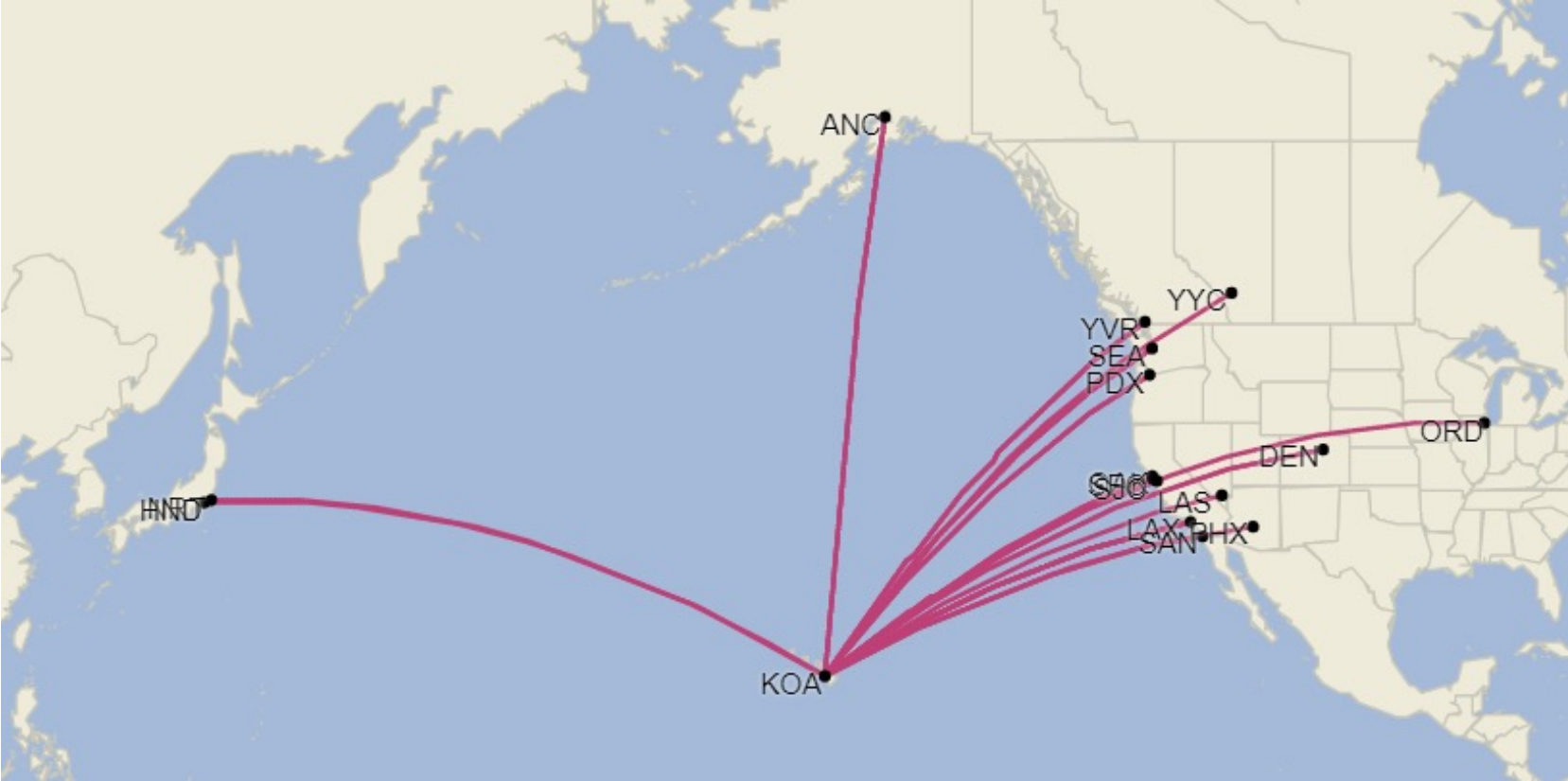
Vancouver, BC, CA*



** Seasonal*

Source: Diio Mi

Non-Stop Origins into Kona/Hilo (KOA/ITO)



Non-Stop Origins into Līhu'e (LIH)

Denver, CO, US

Las Vegas, NV, US

Los Angeles, CA, US

Oakland, CA, US

Phoenix, AZ, US

Portland, OR, US*

San Diego, CA, US

San Francisco, CA, US

San Jose, CA, US

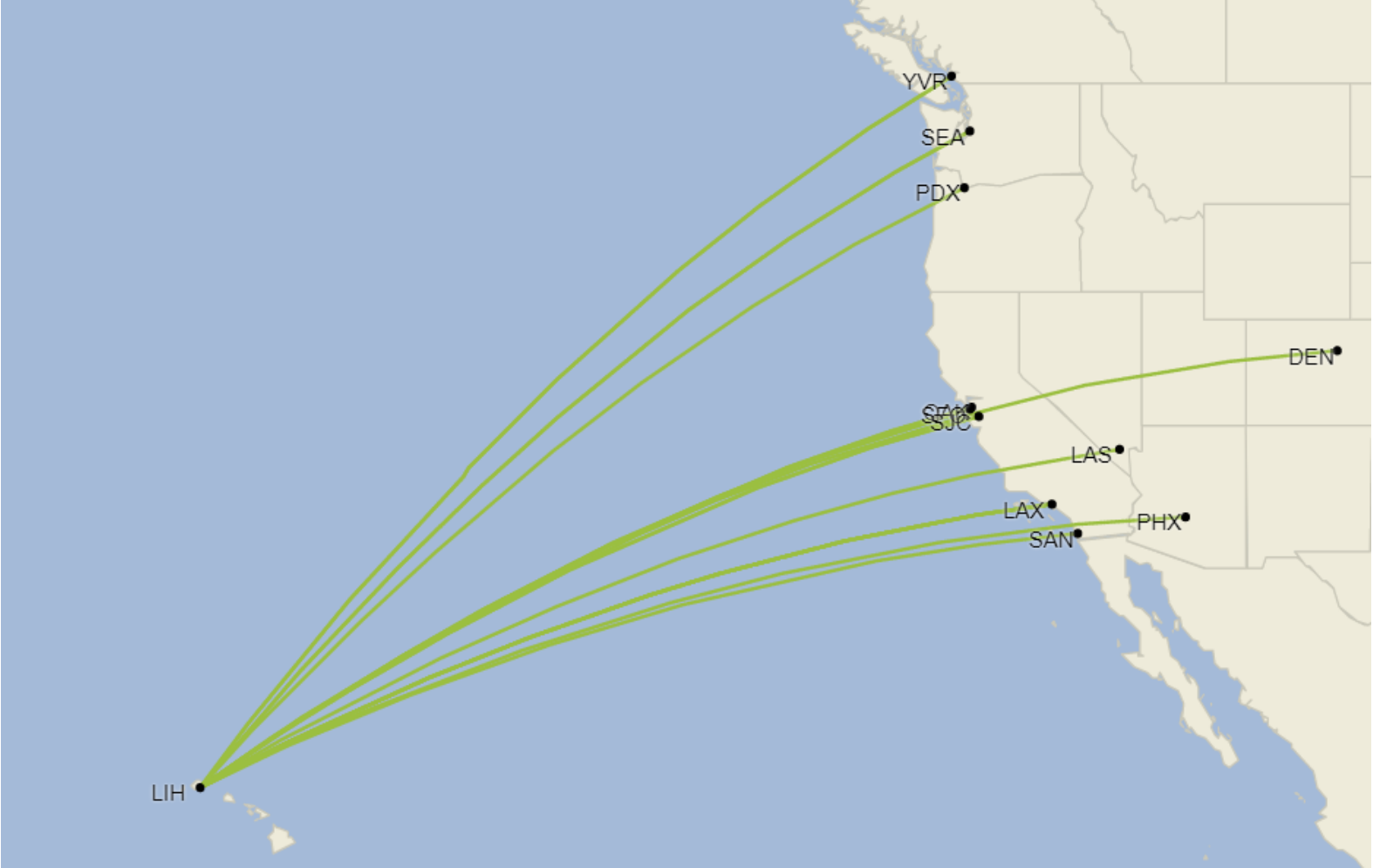
Seattle, WA, US

Vancouver, BC, CA



** Seasonal*

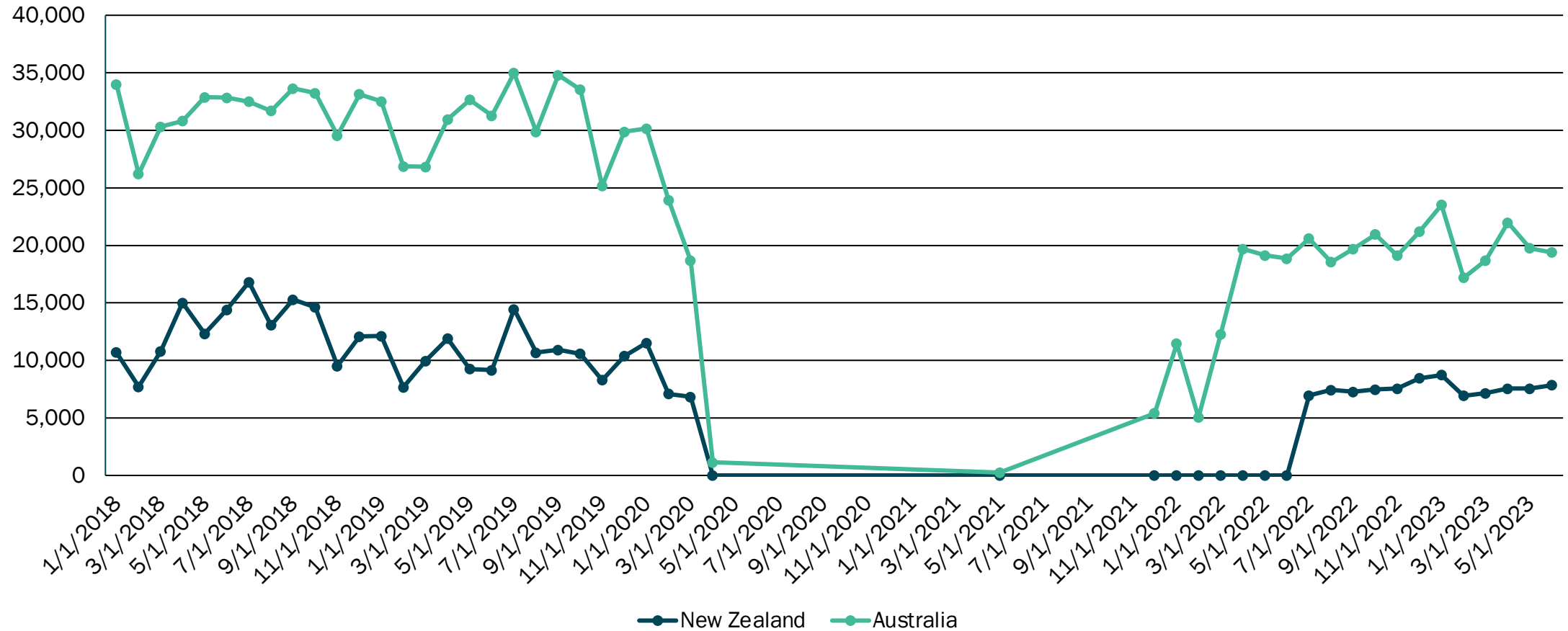
Non-Stop Origins into Līhu'e (LIH)



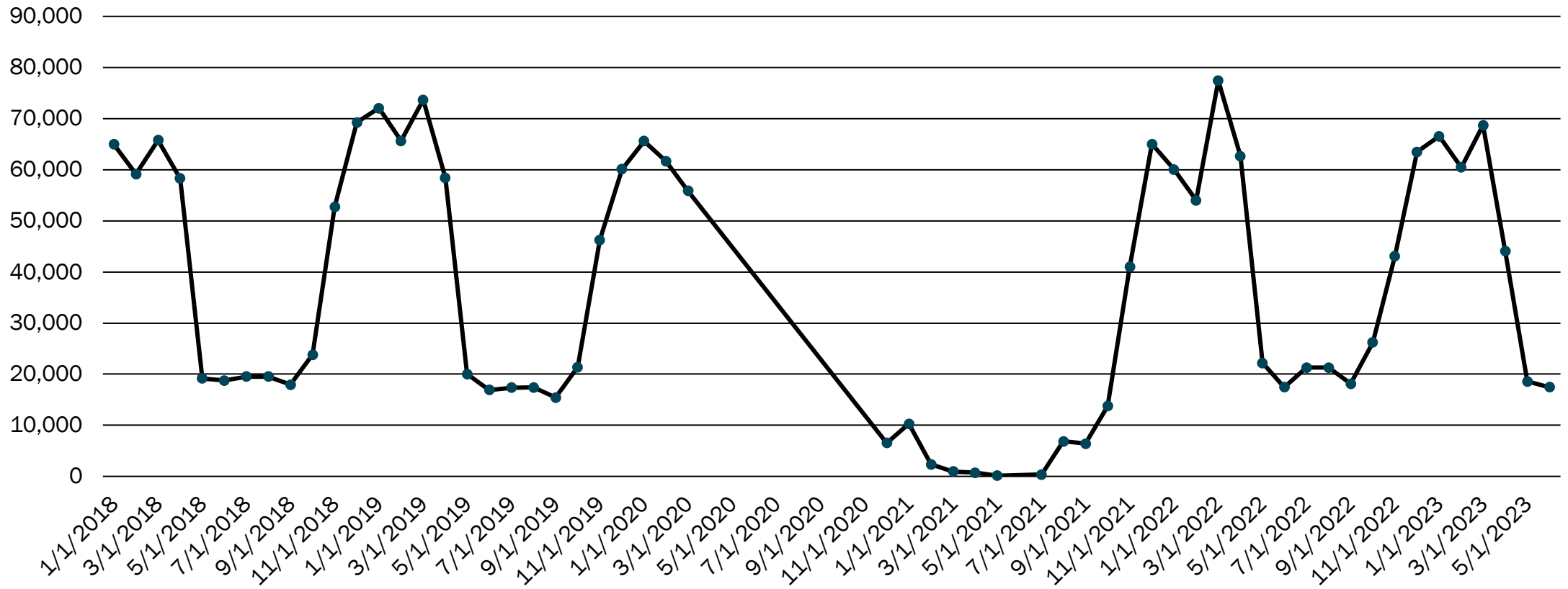
HISTORIC SEATS BY MARKET

(BY MONTH MARCH 2018-JUNE 2023)

Australia & New Zealand Seats 2018-2023



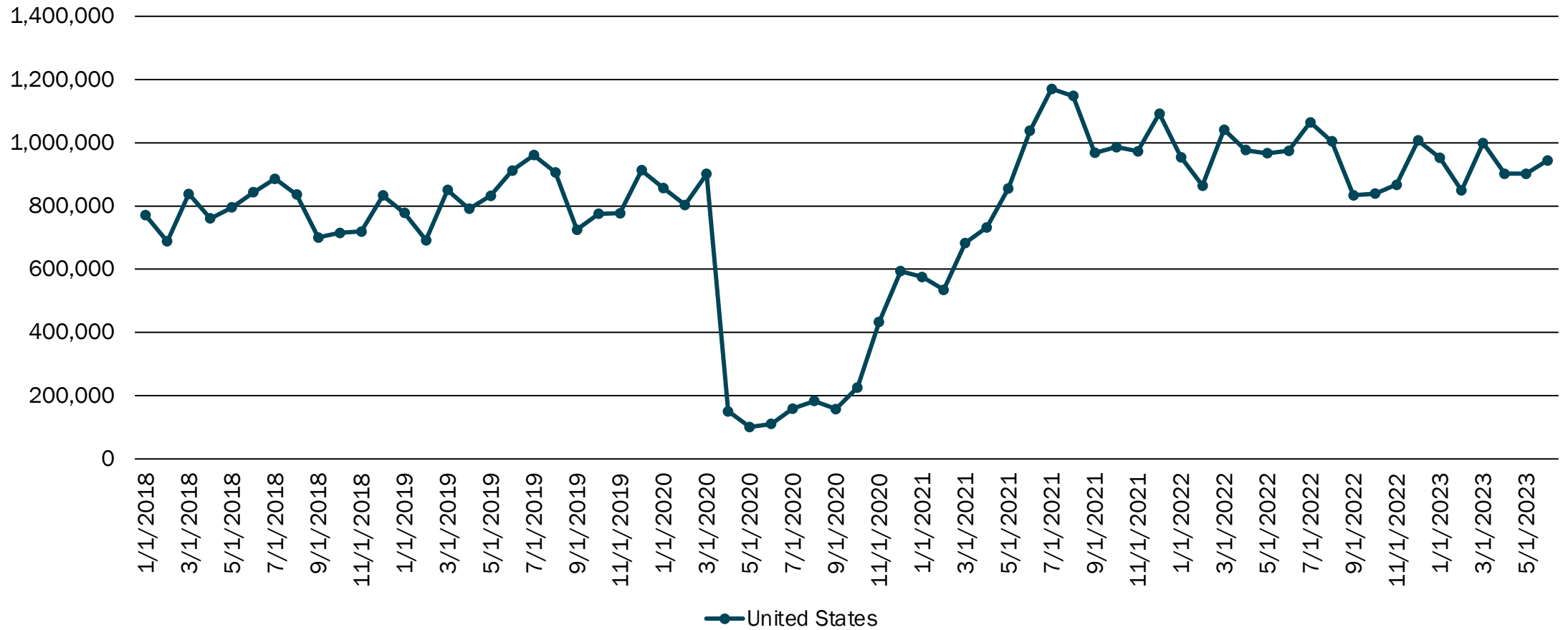
Canada Seats 2018-2023



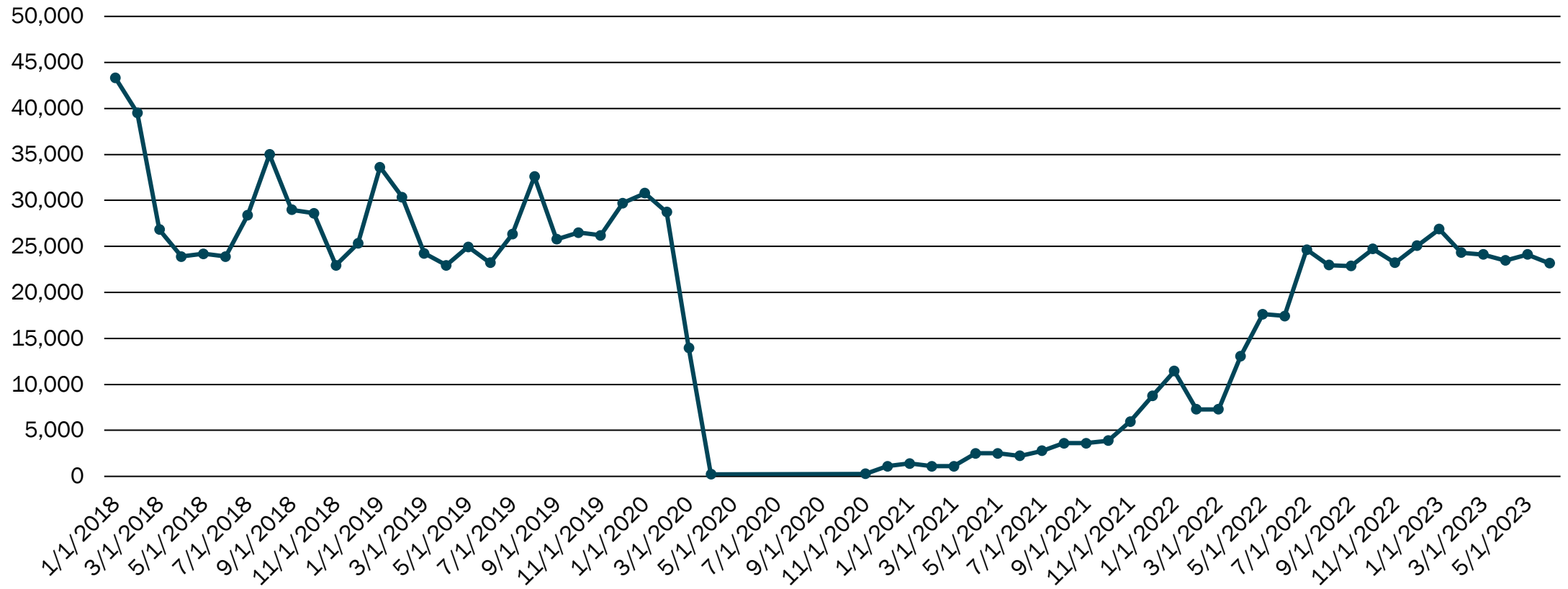
—●— Canada



U.S. Seats 2018-2023



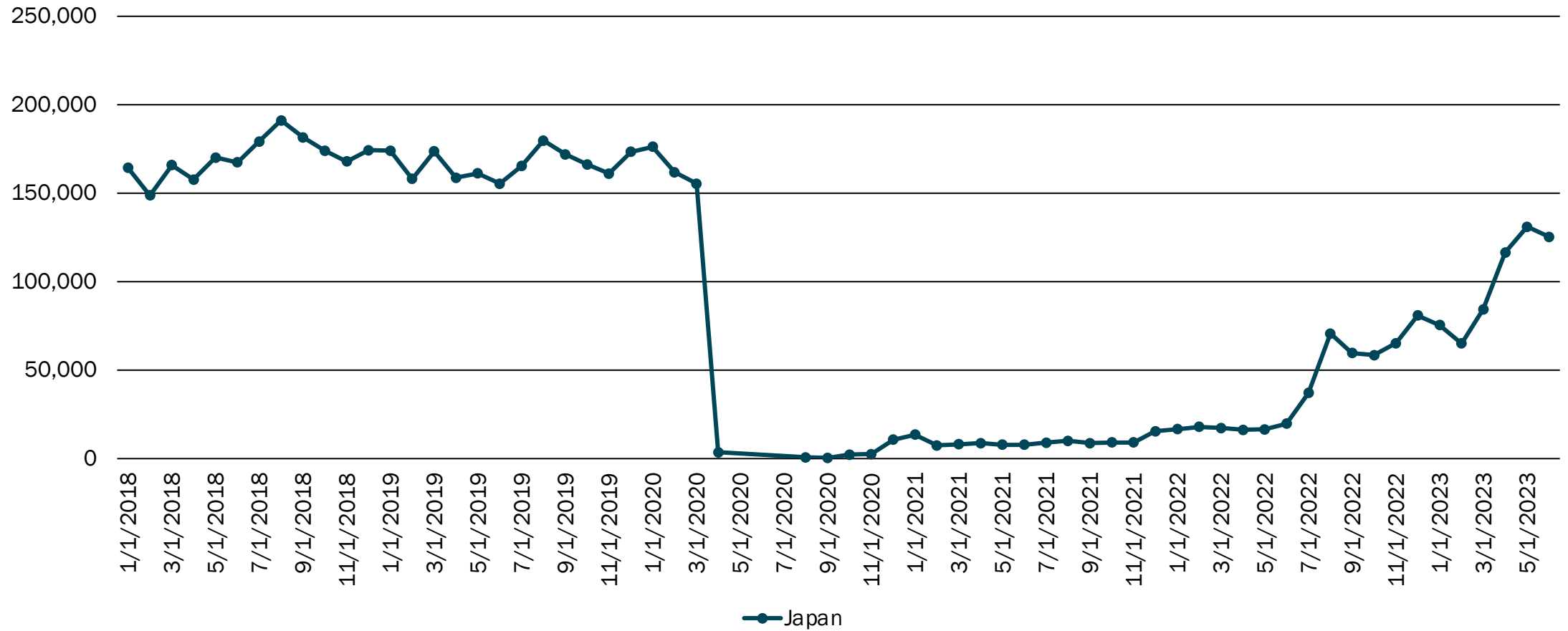
South Korea Seats 2018-2023



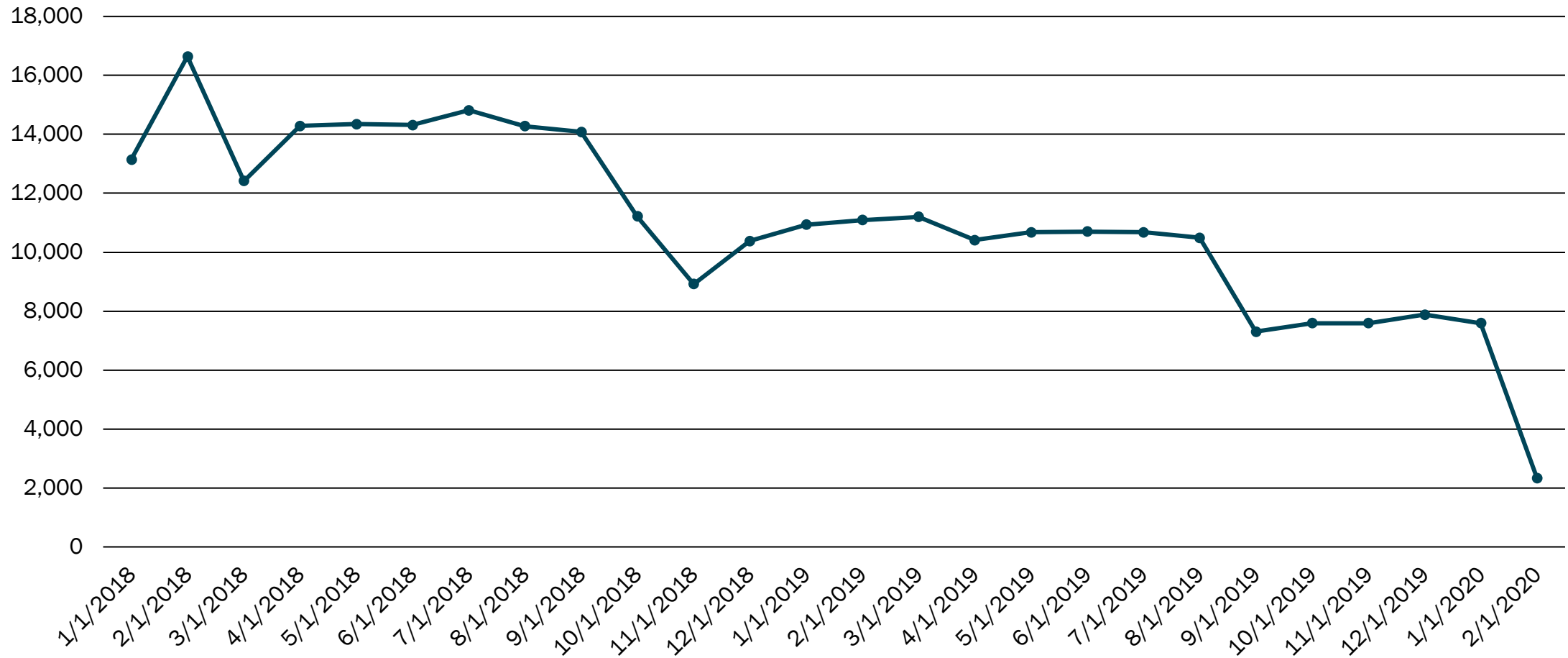
—●— South Korea



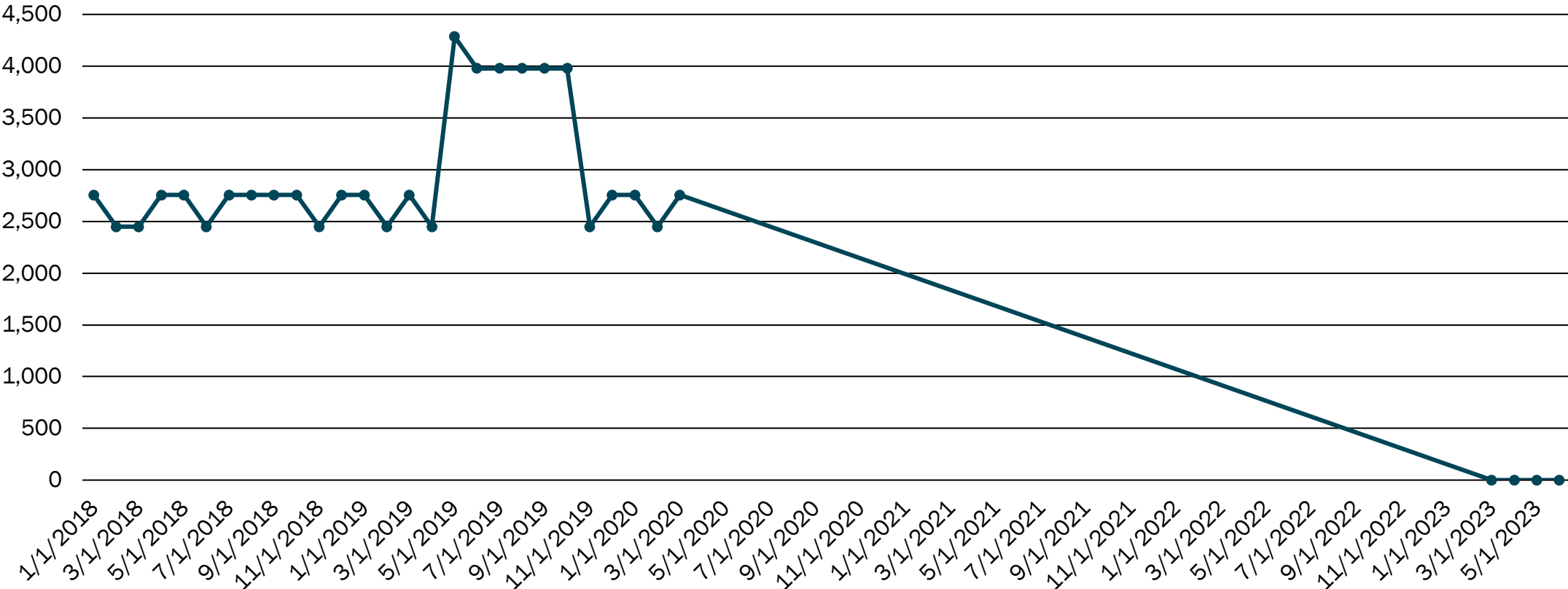
Japan Seats 2018-2023



China Seats 2018-2020 (last year of scheduled service)



Taiwan Seats 2018-2023



—●— Taiwan



Source: DiiO Mii

SCHEDULED SEATS INTO HAWAI'I

Scheduled Non-Stop Seats By Country to Hawai'i 2023 Projected

	# of SEATS 2023 Scheduled		# of SEATS 2023 Scheduled
Australia	241,745	Marshall Islands	31,706
Canada	480,206	New Zealand	94,274
Cook Islands	6,237	Philippines	80,649
Fiji	10,540	South Korea	295,503
French Polynesia	14,456	Taiwan	22,950
Japan	1,435,517	United States	10,697,364
Kiribati	7,310	Western Samoa	8,840

* A seat scheduled is not a seat flown.

Scheduled/Flown Non-Stop U.S. MMA Seats to Hawai'i January – December 2022, 2023P

	# of SEATS Scheduled January – December 2023	# of SEATS Flown January – December 2022
O'ahu	5,600,925	5,581,303
Maui	2,885,273	3,158,201
Kona	1,268,933	1,312,548
Kaua'i	1,019,733	1,147,751
Hilo	1,162	47,433
Total	10,776,026	11,247,236

* A seat scheduled is not a seat flown.



MAHALO

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8

Report and Update by the
Budget, Finance and Convention Center Standing
Committee of their Meeting held on
February 21, 2023

8a.1

Financial Statements – Executive Summary
as of January 31, 2023



AUTHORITY

Financial Statements – Executive Summary
As of January 31, 2023

Foreword:

- Fund Accounts. HTA’s major funds are the following:
 - Tourism Federal Fund FY2023 (ARPA TFF) – Official Name: HTA CSFRF Subaward
 - Tourism Federal Fund FY2022 (ARPA TFF) – Official Name: HTA CSFRF Subaward
 - Tourism Special Fund (TSF)
 - Convention Center Federal Fund (ARPA CCFF) – Official Name: Convention Center CSFRF Subaward
 - Convention Center Enterprise Special Fund (CCESF)
 - Economic Development Administration (EDA) Grant – Official Name: ARPA-EDA Tourism Grant (Non-Competitive ARPA State Tourism Grant for State of Hawaii)
- Remaining FY 2022 Budget. HTA currently can continue encumbering its FY 2022 ARPA funds until December 2023.
- Tracking of Cross-Year Encumbrances. The formatting of the financial statements has changed from prior years because we are now working with Federal funds that can be encumbered in more than one fiscal year. The change in format reflects the need to track such cross-year transactions.
- FY23 Funding. HTA’s Board of Directors approved a \$60M FY 2023 budget. Then-Governor Ige vetoed HB1147, 2022 Legislature, on concerns of the legality of the mechanism for appropriating those funds. If not vetoed, HB 1147 would have appropriated the \$60M in General funds to HTA for FY 2023. In November 2022, the HTA’s FY 2023 funding issue was resolved and HTA was granted a \$35M ARPA subaward. At its November 2022 meeting, the HTA Board approved a revised \$35M FY 2023 budget. There has been a significant delay in planning and initiating HTA FY 2023 programs due to this and other matters.

Summary of Financial Position – All Funds

		(In Millions)					
		2022 TFF (ARPA)	2023 ARPA	TSF (incl Emergency)	2022 CCFF (ARPA)	CCESF	EDA
Cash at January 31, 2023		24.7	-	25.3	10.2	34.9	-
Increase (Decrease) due to							
Revenue		-	-	-	-	-	-
Program/Op Expenses		(4.3)	-	-	-	-	-
Encumbered Funds		15.8	8.7	14.9	10.0	5.9	-
Unencumbered Funds		8.9	-	10.4	0.2	29.0	-

Tourism Federal Fund FY 2022 (ARPA TFF):

1. \$24.7M in cash (remaining from amount that has been allotted to HTA so far). Cash decreased by \$4.3M from December 31, 2022 due to disbursements related to program expenditures.
2. The release of TFF funds for HTA use is accomplished through an approval process that includes approval by the Governor (CSFRF approval), the State’s Department of Budget & Finance’s (B&F) and the HTA Board of Directors. Below is a summary of the status of those approvals:

	Gov Approved (CSFRF)	B&F Funds Release		Board Approved	Encumbered
		Requested	Approved *	Amount	
Hawaiian Culture	-	1,565,500	1,565,500	4,544,845	1,234,292
Natural Resources	-	665,000	665,000	1,915,000	100,000
Community	27,289,500	735,500	735,500	3,685,500	120,000
Branding	28,500,000	33,563,000	33,563,000	31,673,655	29,792,839
Sports	-	4,344,889	4,344,889	6,311,889	2,844,889
Safety & Security	-	900,000	900,000	700,000	152,044
Research	-	60,000	60,000	60,000	-
Planning	-	2,005,200	2,005,200	2,005,200	780,330
Admin	648,700	1,199,111	1,199,111	1,199,111	432,202
Governance and Org-Wide	351,800	529,001	529,001	572,001	265,600
Payroll	3,210,000	7,132,799	7,132,799	7,332,799	6,505,669
	60,000,000	52,700,000	52,700,000	60,000,000	42,227,865

In January 2023 B&F has approved HTA’s extension request to allow the encumbering and expenditure of the \$60M ARPA funds by December 31, 2023.

3. Over several meetings, the HTA Board approved the FY 2022 budget of \$60M, further detailed below.

	Incremental Approved at Meeting	Cumulative Budget Approved	Description
June 11, 2021 Meeting	1,000,000	1,000,000	Payroll
July 2021 Meeting	32,200,500	33,200,500	Branding, Payroll, Admin and Governance
September 2021 Meeting	1,787,889	34,988,389	Cruise and Sports
November 2021 Meeting	8,086,611	43,075,000	Most other programs
December 2021 Meeting	5,300,000	48,375,000	Programs previously identified as needing further clarification to Board's questions.
January 2022 Meeting	475,000	48,850,000	NAHHA FY23
June 2022 Meeting	4,300,000	53,150,000	Release of funds for FY23 payroll, admin and governance costs, bringing to current.
July 2022 Meeting	6,400,000	59,550,000	Release of funds for KO, AA, and CEP programs
September 2022 Meeting	450,000	60,000,000	Release of remaining funds as part of staff's budget reallocation request.

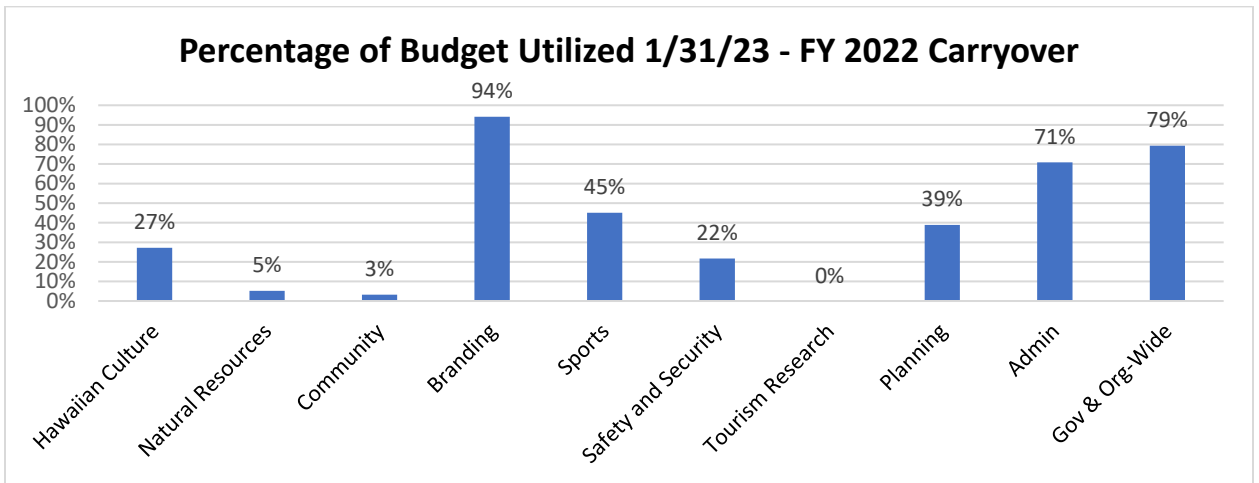
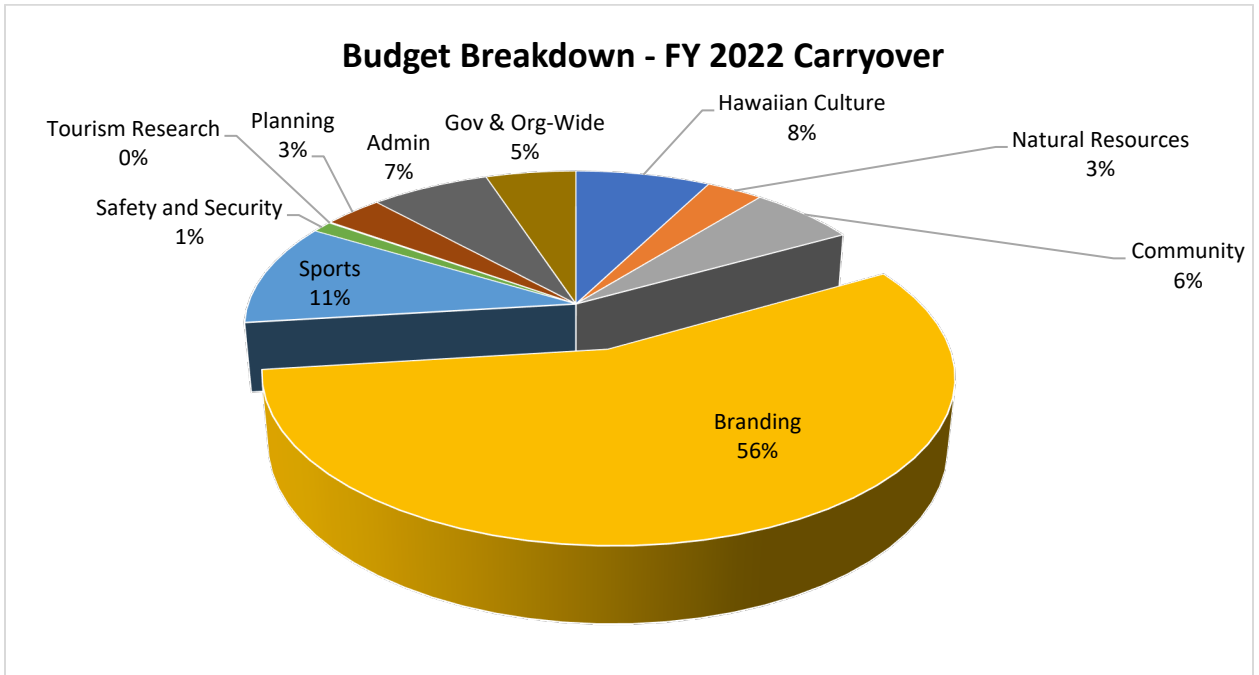
As of January 31, 2023, \$42.2M of the \$60.0M FY2022 budget was utilized/encumbered, or 70%.

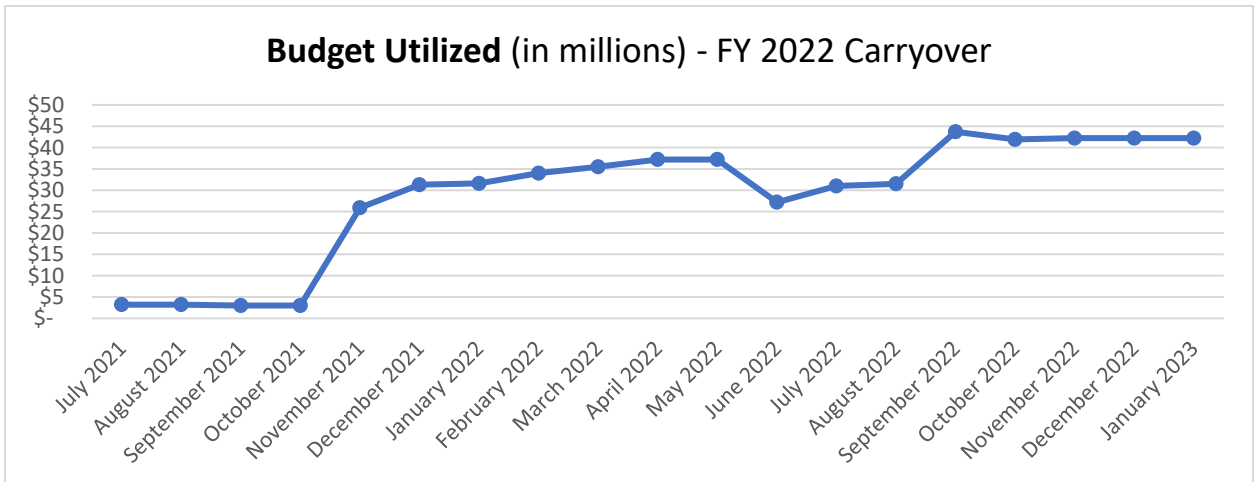
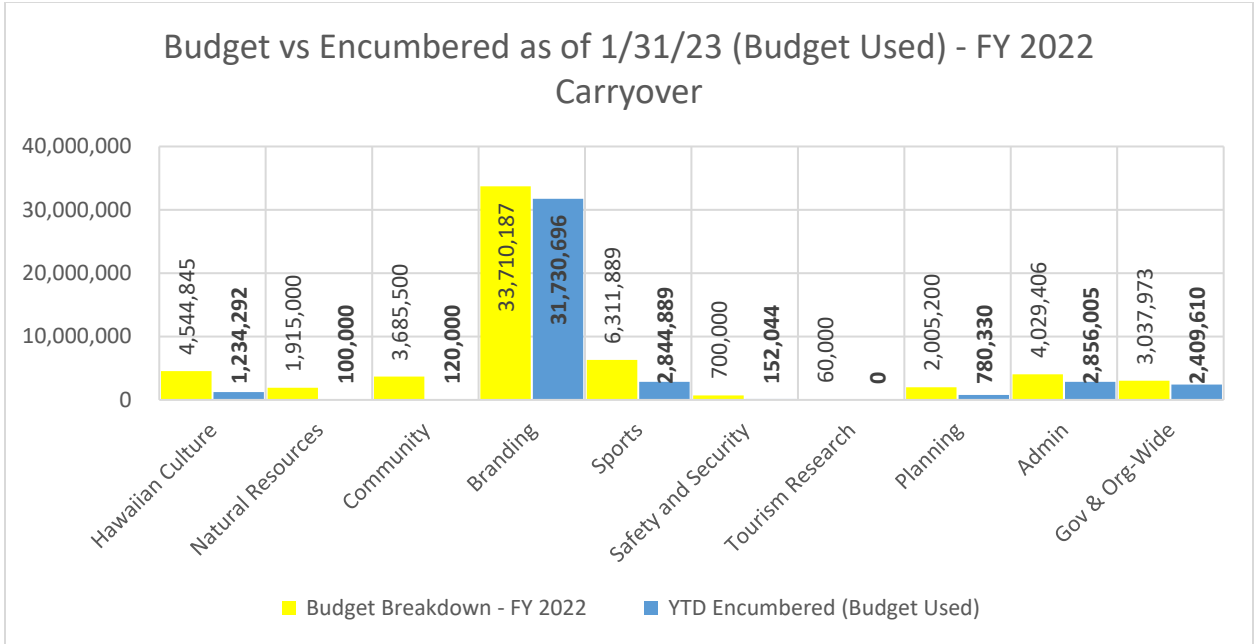
Below is a summary of the FY 2022 budget based upon Federal reporting categories (titles were paraphrased). In April 2022, B&F approved HTA's request to reclassify Federal eligibility categories from "Negative Economic Impacts" to "Revenue Loss (Revenue Replacement)."

	Budget	Encumbered	Remaining
Revenue Replacement	52,667,201.00	35,722,196	16,945,005
Continuation of Government Services			
Payroll	7,332,799.00	6,505,669	827,130
	60,000,000	42,227,865	17,772,135

The following are various charts to depict our FY 2022 budget, budget utilization and trends. Additionally, these charts reflect the funding of FY 2023 community-type programs that were originally planned to be funded by the FY 2023 budget. Such programs were instead funded by FY 2022's budget to fulfill HTA's commitment toward community, in consideration of cash flow needs of those programs while HTA's FY 2023 funding is being resolved. Further, the majority of Major Market Area contracts within the

Branding budget are to be used toward Branding Education programs to promote responsible and regenerative tourism.



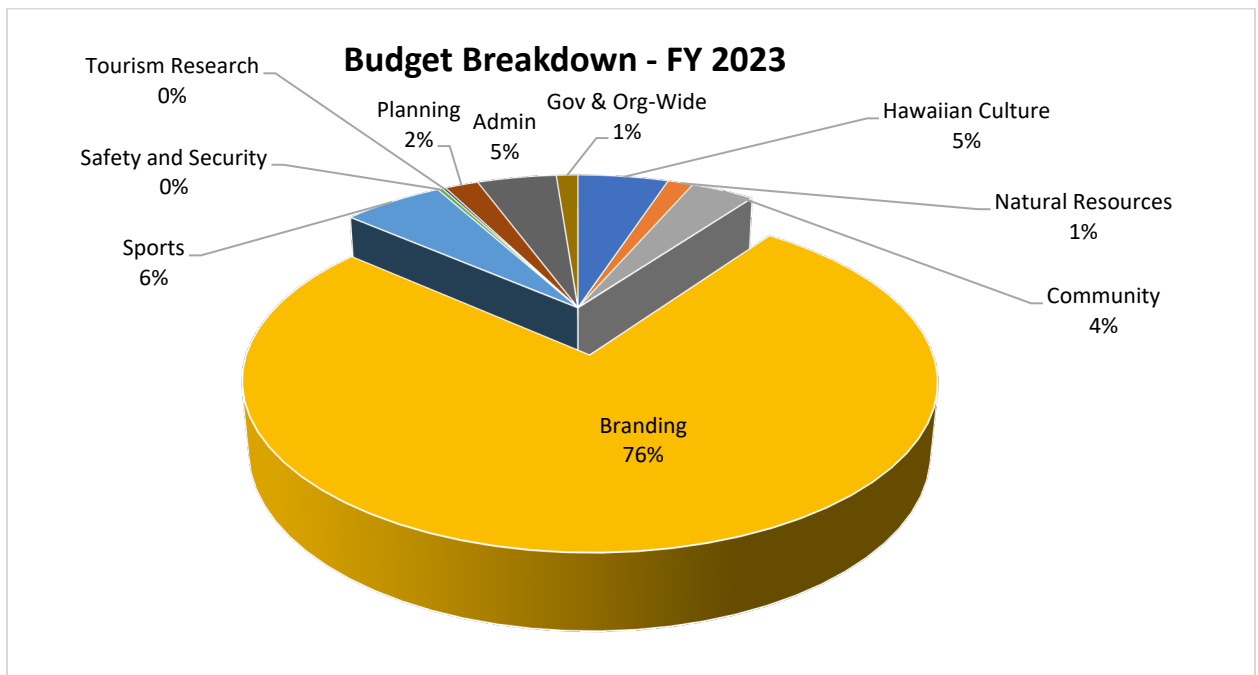


4. No significant budget reallocations were made during the month. A detail of the budget reallocations made for the reporting period and cumulatively for the fiscal year is provided on the accompanying Budget Reallocation Summary.
5. \$15.8M in encumbrances outstanding.
6. Operating Income (Loss):

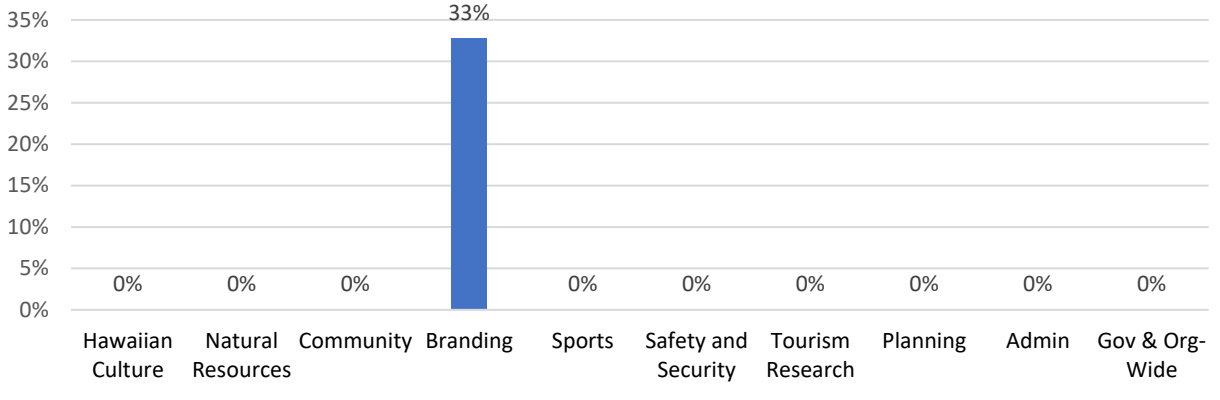
- a. Cumulatively from the beginning of FY 2022 (prior year), \$52.7M has been allotted to HTA through January 31, 2023, which represents ARPA funds HTA is using for staff's payroll (FY 2022 and FY 2023), program, admin and governance costs.
- b. Cumulatively, \$27.9M has been expended through January 2023 from the beginning of FY 2022 (prior year).
- c. Since HTA can continue to encumber off the FY 2022 budget in FY 2023, a single Statement of Revenues and Expenditures is presented, which displays both current year and cumulative activity. Typically, separate statements would be presented for current year and prior year funds.

Tourism Federal Fund FY 2023 (ARPA TFF):

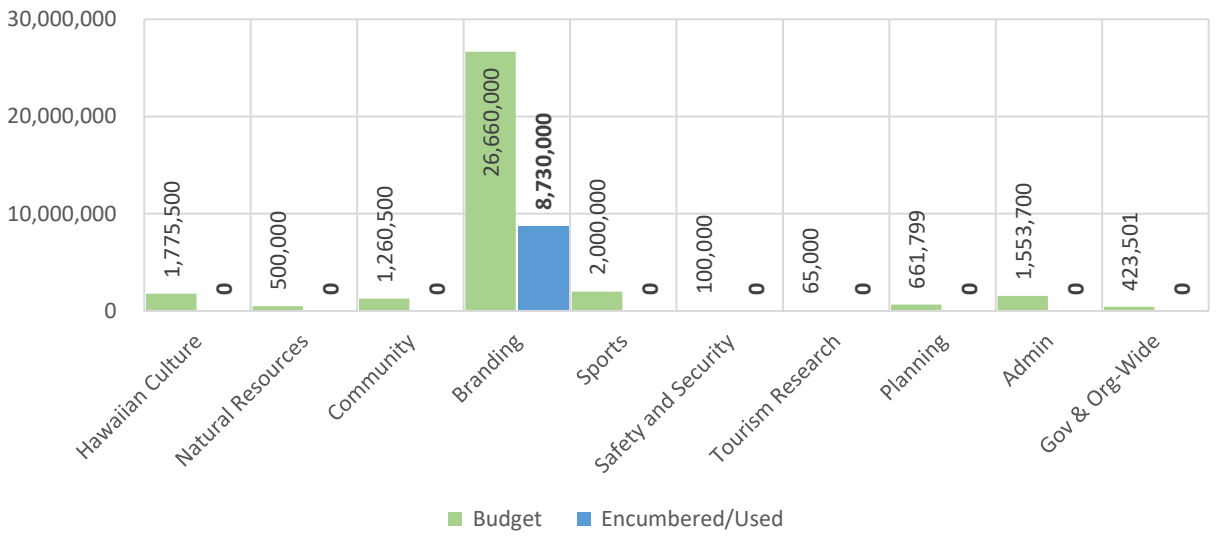
- 7. At its November 2022 meeting, the HTA Board approved a \$35M FY 2023 ARPA funds budget upon the subaward by now former Governor Ige. Staff is currently working on paperwork for the release of funds by B&F.
- 8. The following are various charts to depict our FY 2023 budget, budget utilization and trends.



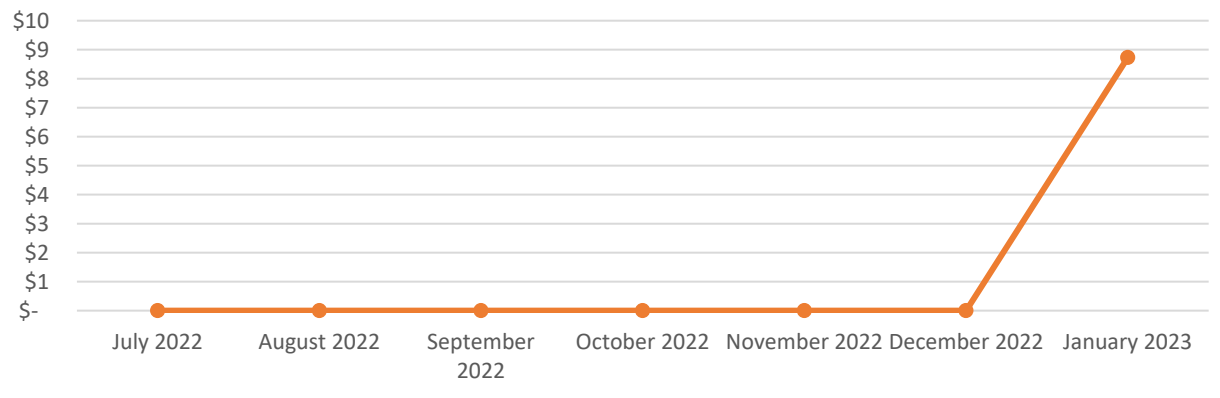
Percentage of Budget Utilized 1/31/23 - FY 2023



Budget vs Encumbered as of 1/31/23 (Budget Used) - FY 2023



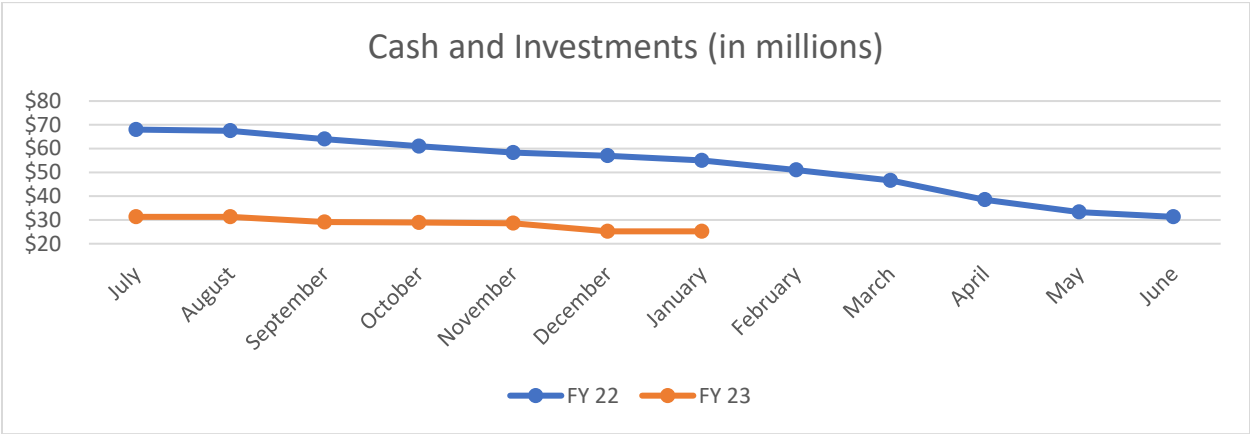
Budget Utilized (in millions) - FY 2023



Tourism Special Fund - (TSF; incl Emergency):

9. The Tourism Special Fund sunset on January 1, 2022, pursuant to Act 001, 2021 Legislative Special Session, leaving all unencumbered funds available for remitting to the State’s General Fund. The \$5M Emergency Fund remains with HTA.

10. \$25.3M in cash and investments. The cash balance is earmarked primarily for contract encumbrances made from the FY 2021 budget. The FY 2021 budget was funded by HTA’s reserves that were bolstered by cancelled and reduced contracts due to the pausing of TAT distributions to HTA at the onset of the pandemic and a one-time TAT cash distribution in June 2021. In FY 2023, we continue to spend down previously encumbered funds within the TSF.



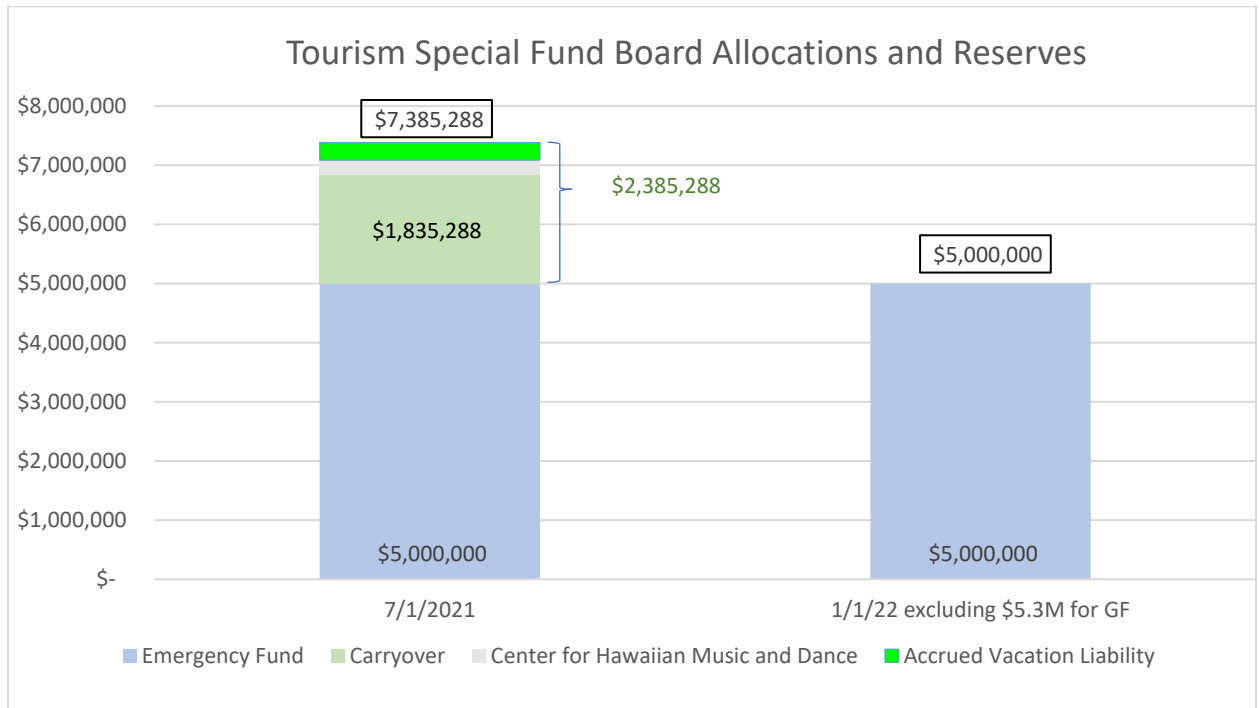
- a. Includes \$5M in Emergency Fund held as investments.
 - i. Approximately \$1.5M held in money market funds and \$3.5M held in US Treasury notes laddered in approximately 3-month intervals.
 - ii. Further detail provided in the financial statements
- b. Cash remained consistent from December 31, 2022.
- c. We anticipate the cash balance to decrease to \$0 over time once all encumbered funds are expended, except for the \$5M Emergency Fund.

11. HTA’s outstanding encumbrances are summarized as follows:

\$14.9M	Prior year encumbrances currently being spent down
\$0.00	Current year encumbrances remaining
\$14.9M	Total encumbrances outstanding as of January 31, 2023

Staff routinely makes a concerted effort to liquidate older encumbrances that should no longer be encumbered and that is reflected here.

12. In addition to HTA’s \$5M Emergency Fund, approximately \$5.3M in unencumbered funds is available to return to the State’s General Fund as a result of the sunset of the Tourism Special Fund, Pursuant to Act 001, Special Session 2021 (HB 862). This balance has grown from the \$2.3M on July 1, 2021 (start of FY22) to the current amount due to efficiencies realized from unspent contracts that were previously encumbered.



13. With its sunset, there is no budget for the Tourism Special Fund in FY 2023.

14. Operating Income (Loss):

- a. Pursuant to Act 001, Legislative Special Session 2021, HTA is no longer included in the TAT allocation.
- b. \$50.2K of investment income earned year-to-date.

- c. \$6.1M in expenditures year-to-date primarily relating to program costs.

Convention Center Federal Fund (ARPA CCFF):

- 15. \$10.2M in cash (remaining from amount that has been allotted to HTA). Cash remained consistent from December 31, 2022.
- 16. Over several meetings, the HTA Board approved the \$11M budget for FY 2022's Convention Center ARPA funds, further detailed below.

	Incremental Approved at Meeting	Cumulative Budget Approved	
June 2021 Meeting	162,000	162,000	Interim Payroll funding
July 2021 Meeting	328,000	490,000	Payroll for remainder of year
February 2022 Meeting	10,510,000	11,000,000	Remainder of budget, primarily for R&M
June 2022 Meeting	0	11,000,000	Reallocated to fund FY23 operations due to HB1147 (2022) veto, bringing to current

In January 2023, B&F approved HTA's request to extend the period of performance from June 2023 to December 2023.

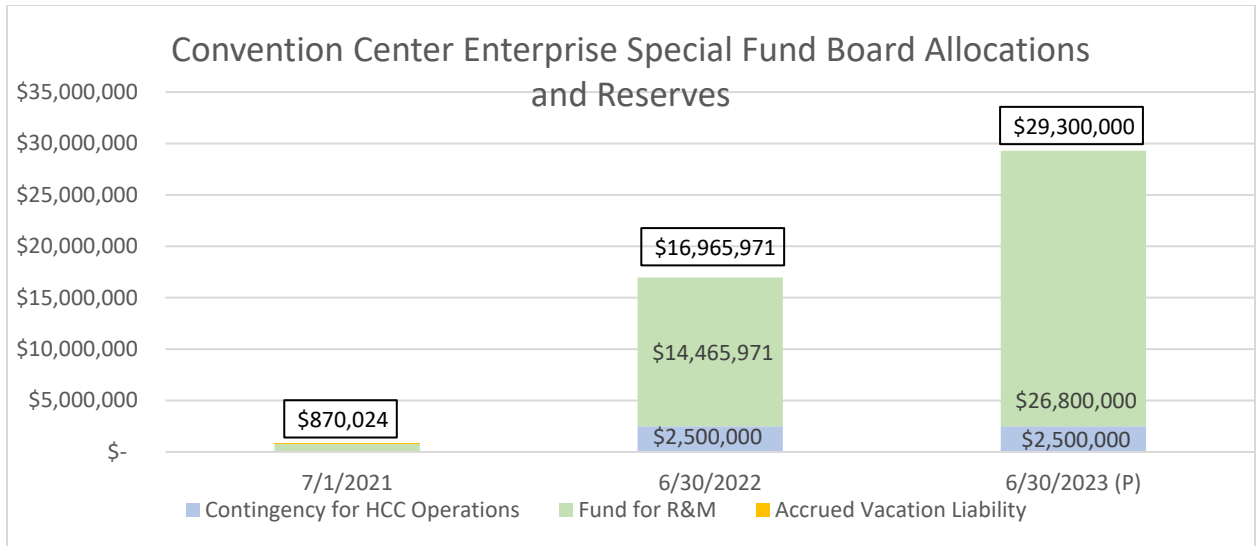
- 17. No budget reallocations were made in January 2023.
- 18. Operating Income:
 - a. Cumulatively from the beginning of FY 2022 (prior year), \$11M of ARPA funds has been allotted, which represents ARPA funds HTA used in FY 2022 for staff's payroll and, provided the earlier-noted budget reallocation, that will fund FY 2023 expenditures of the Convention Center.
 - b. Cumulatively, \$751K has been expended from the beginning of FY 2022 (prior year).
 - c. Since HTA can continue to encumber off the FY 2022 budget in FY 2023, a single Statement of Revenues and Expenditures is presented, which displays both current year and cumulative activity. Typically, separate statements would be presented for current year and prior year funds.

Convention Center Enterprise Special Fund (CCESF):

19. \$34.9M in cash. Cash remained consistent from December 31, 2022.

20. \$37.2M in cash with contractor or with DAGS, for R&M projects (as of December 2022).
 - a. Includes \$2M in Emergency R&M funds
 - b. These funds are encumbered or budgeted toward specific projects such as kitchen wall rehabilitation and exterior planter repairs, exterior building painting, house audio upgrades, ballroom gutter and transom glass repair, chiller replacement, and various equipment purchases and upgrades. Of the \$37.2M, approximately \$3.1M has been contracted (as of December 2022).
 - c. The amount of cash remaining with the contractor already accounts for \$1.0M expended on current and future projects (in-progress costs or preliminary work).

21. \$29M reserved as Board allocations as of January 31, 2023, of which \$2.5M is earmarked as a facility operations contingency reserve and \$26.5M is earmarked for the Convention Center's major R&M program as supported by specific projects under its 6-Year Plan. This \$29M compares to a reserve balance of \$16.9M as of June 30, 2022. The increase is due to the approximate \$1.1M in revenue recorded in July 2022 and \$11M in TAT revenue that was deposited into the CCESF in August 2022, pursuant to HRS 237D, as amended by Act 1 of the 2021 Legislative Special Session, which allowed for the continued deposit of TAT into the CCESF. Without the ability to spend these funds due to the CCESF not having an appropriation ceiling in FY 2023, we forecast the amount reserved as Board allocations to remain around \$29M through June 2023. No significant Convention Center revenues will be collected due to a change in the management contract with AEG/ASM that will require the contractor's use of revenues to pay for costs (netting cash flow). This contract change is particularly necessary with no CCESF expenditure ceiling for the second consecutive year. HTA's 2023 legislative initiatives include seeking the restoration of the CCESF expenditure ceiling.



- 22. \$5.9M of prior year outstanding encumbrances currently being spent down.
- 23. Budget:
 - a. No budget has been established for the CCESF in FY 2023, as no expenditure ceiling was appropriated, as discussed earlier.
- 24. Operating Income:
 - a. HTA collected \$11M in TAT funds cumulatively for FY 2023.
 - b. Current Year Convention Center Operations
 - i. Note: HTA's FY 2023 operating subsidy to the Convention Center cumulatively through December 2022 was \$1.8M per HCC financial statements. We budgeted for a \$5.4M operating subsidy for FY 2023. Funded by FY22's encumbrance as discussed above.
 - c. \$10.1M in year-to-date expenditures paid from the CCESF, primarily from prior year encumbrances to fund the Convention Center's six-year major repair and maintenance plan.

EDA Grant:

- 25. The Board's \$14M budget was approved in June 2022 and we are working with the EDA to approve HTA's Grant Administration Plan.

Hawaii Tourism Authority
Balance Sheet
Tourism Federal (ARPA) Fund
As of 1/31/23

	Current Year
Assets	
Current Assets	
Checking	24,770,842.45
Total Current Assets	24,770,842.45
Total Assets	24,770,842.45
Fund Balance	
Current year payables	
Accounts Payable	601.45
Total Current year payables	601.45
Encumbered Funds	
FY 2022 Funds	15,797,896.33
Total Encumbered Funds	15,797,896.33
Unencumbered Funds	
Total Unencumbered Funds	8,972,344.67
Total Fund Balance	24,770,842.45

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 1/31/23

	<u>Current Year</u>
Assets	
Current Assets	
Checking	20,207,584.82
Total Current Assets	<u>20,207,584.82</u>
Total Assets	<u><u>20,207,584.82</u></u>
Fund Balance	
Encumbered Funds	
FY 2015 Funds	6,830.35
FY 2016 Funds	6,047.12
FY 2017 Funds	15,706.80
FY 2018 Funds	4,137.03
FY 2019 Funds	18,274.11
FY 2020 Funds	652,379.62
FY 2021 Funds	14,142,894.89
Total Encumbered Funds	<u>14,846,269.92</u>
Unencumbered Funds	
Total Unencumbered Funds	5,361,314.90
Total Fund Balance	<u><u>20,207,584.82</u></u>

Hawaii Tourism Authority
Balance Sheet
Convention Center Federal (ARPA) Fund
As of 1/31/23

	<u>Current Year</u>
Assets	
Current Assets	
Checking	<u>10,248,890.96</u>
Total Current Assets	10,248,890.96
Total Assets	<u><u>10,248,890.96</u></u>
Fund Balance	
Encumbered Funds	
FY 2022 Funds	<u>10,070,285.27</u>
Total Encumbered Funds	10,070,285.27
Unencumbered Funds	
Total Unencumbered Funds	178,605.69
Total Fund Balance	<u><u>10,248,890.96</u></u>

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise Special Fund
As of 1/31/23

	Current Year
Assets	
Current Assets	
Checking	34,921,672.05
Total Current Assets	34,921,672.05
Total Assets	34,921,672.05
Fund Balance	
Encumbered Funds	
FY 2019 Funds	110,894.39
FY 2021 Funds	5,771,724.93
Total Encumbered Funds	5,882,619.32
Unencumbered Funds	
Total Unencumbered Funds	29,039,052.73
Total Fund Balance	34,921,672.05

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 1/31/23

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,090,843.54
Total Current Assets	<u>5,090,843.54</u>
Total Assets	<u><u>5,090,843.54</u></u>
Fund Balance	
Current year net assets	
	76,818.82
Total Current year net assets	<u>76,818.82</u>
Prior years	
Total Prior years	5,014,024.72
Total Fund Balance	<u><u>5,090,843.54</u></u>

HTA Allocations
FY 2022 and FY 2023

HTA Allocations:

Annual Budgets:

-\$60M FY 2023 HTA ARPA Funds (subject to release by Governor)

-No FY23 budget for Convention Center (\$11M TAT, however no expenditure ceiling appropriation)

\$5M Emergency Funds

\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)

\$0M Mandated by Board (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget)

Convention Center Enterprise Special Fund:

	7/1/2021	6/30/2022	Projected 6/30/2023
Carryover for HCC Operations	-	2,500,000	2,500,000
Reserve for Funding Year 21 Transactions	-	-	-
Funds for 6-Year R&M Plan	790,024	14,465,972	26,800,000
Accrued Vacation Liability	80,000	-	-
	<u>870,024</u>	<u>16,965,972</u>	<u>29,300,000</u> *

*With no expenditure ceiling appropriated in FYs 2022 and 2023, HTA is currently unable to spend these funds.

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - Tourism Federal Fund
From 7/1/2021 Through 1/31/2023

	<u>Budget</u>	<u>Cumulative Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>	<u>FY 2023 Actual</u>
Revenue					
Alloted Federal Funds	60,000,000.00	52,700,000.00	(7,300,000.00)	0.00	4,360,000.00
Total Revenue	<u>60,000,000.00</u>	<u>52,700,000.00</u>	<u>(7,300,000.00)</u>	<u>0.00</u>	<u>4,360,000.00</u>
Expense					
Perpetuating Hawaiian Culture	4,544,845.00	8,214.75	4,536,630.25	0.00	8,214.75
Natural Resources	1,915,000.00	40,000.00	1,875,000.00	0.00	40,000.00
Community	3,685,500.00	100,000.00	3,585,500.00	0.00	0.00
Branding	33,710,187.00	22,747,909.37	10,962,277.63	4,261,204.34	11,752,591.58
Sports	6,311,889.00	2,669,889.00	3,642,000.00	0.00	325,000.00
Safety and Security	700,000.00	136,944.92	563,055.08	0.00	90,000.00
Tourism Research	60,000.00	0.00	60,000.00	0.00	0.00
Planning	2,005,200.00	117,974.05	1,887,225.95	0.00	82,940.82
Administrative	4,029,406.00	1,133,356.55	2,896,049.45	4,691.39	167,753.91
Governance and Org-Wide	<u>3,037,973.00</u>	<u>975,470.36</u>	<u>2,062,502.64</u>	<u>49,561.21</u>	<u>70,806.06</u>
Total Expense	<u>60,000,000.00</u>	<u>27,929,759.00</u>	<u>32,070,241.00</u>	<u>4,315,456.94</u>	<u>12,537,307.12</u>
Net Income	<u>0.00</u>	<u>24,770,241.00</u>	<u>24,770,241.00</u>	<u>(4,315,456.94)</u>	<u>(8,177,307.12)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Prior Year Funds - Tourism Special Fund
From 1/1/2023 Through 1/31/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Interest and Dividends	0.00	50,207.67	50,207.67	0.00
Total Revenue	<u>0.00</u>	<u>50,207.67</u>	<u>50,207.67</u>	<u>0.00</u>
Expense				
Perpetuating Hawaiian Culture	6,809,550.50	200,000.00	6,609,550.50	0.00
Natural Resources	1,781,000.00	0.00	1,781,000.00	0.00
Community	1,192,966.00	699,274.89	493,691.11	0.00
Branding	10,397,551.18	5,160,554.65	5,236,996.53	0.00
Sports	18,000.00	0.00	18,000.00	0.00
Safety and Security	92,094.23	0.00	92,094.23	0.00
Tourism Research	455,211.72	41,820.65	413,391.07	5,589.13
Administrative	253,219.23	51,672.75	201,546.48	0.00
Total Expense	<u>20,999,592.86</u>	<u>6,153,322.94</u>	<u>14,846,269.92</u>	<u>5,589.13</u>
Net Income	<u>(20,999,592.86)</u>	<u>(6,103,115.27)</u>	<u>14,896,477.59</u>	<u>(5,589.13)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - Convention Center Federal Fund
From 7/1/2021 Through 1/31/2023

	<u>Budget</u>	<u>Cumulative Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>	<u>FY 2023 Actual</u>
Revenue					
Alloted Federal Funds	11,000,000.00	11,000,000.00	0.00	0.00	0.00
Total Revenue	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Expense					
Branding	72,458.00	6,079.86	66,378.14	0.00	0.00
Administrative	247,042.00	207,964.14	39,077.86	0.00	0.00
Governance and Org-Wide	1,334,845.00	537,065.04	797,779.96	0.00	0.00
HCC Operating Expense	5,406,900.00	0.00	5,406,900.00	0.00	0.00
HCC Repair and Maintenance	2,970,455.00	0.00	2,970,455.00	0.00	0.00
HCC Sales and Marketing / MFF	968,300.00	0.00	968,300.00	0.00	0.00
Total Expense	<u>11,000,000.00</u>	<u>751,109.04</u>	<u>10,248,890.96</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u>0.00</u>	<u>10,248,890.96</u>	<u>10,248,890.96</u>	<u>0.00</u>	<u>0.00</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2023 Funds - Convention Center Enterprise Special Fund
From 1/1/2023 Through 1/31/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Transient Accomodations Tax	11,000,000.00	11,000,000.00	0.00	0.00
Total Revenue	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Prior Year Funds - Convention Center Enterprise Special Fund
From 1/1/2023 Through 1/31/2023

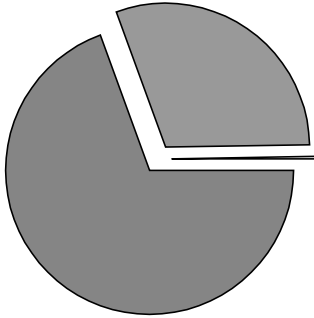
	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Interest and Dividends	0.00	32,377.55	32,377.55	0.00
HCC Revenue	0.00	1,040,703.47	1,040,703.47	0.00
Total Revenue	<u>0.00</u>	<u>1,073,081.02</u>	<u>1,073,081.02</u>	<u>0.00</u>
Expense				
Governance and Org-Wide	296.52	0.00	296.52	0.00
HCC Operating Expense	5,512,649.87	0.00	5,512,649.87	0.00
HCC Repair and Maintenance	10,129,600.00	10,129,600.00	0.00	0.00
HCC Sales and Marketing / MFF	<u>369,672.93</u>	<u>0.00</u>	<u>369,672.93</u>	<u>0.00</u>
Total Expense	<u>16,012,219.32</u>	<u>10,129,600.00</u>	<u>5,882,619.32</u>	<u>0.00</u>
Net Income	<u>(16,012,219.32)</u>	<u>(9,056,518.98)</u>	<u>6,955,700.34</u>	<u>0.00</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - EDA Tourism Grant Fund
From 1/1/2023 Through 1/31/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Alloted Federal Funds	14,024,372.00	0.00	(14,024,372.00)	0.00
Total Revenue	<u>14,024,372.00</u>	<u>0.00</u>	<u>(14,024,372.00)</u>	<u>0.00</u>
Expense				
Natural Resources	7,950,000.00	0.00	7,950,000.00	0.00
Community	20,000.00	0.00	20,000.00	0.00
Branding	4,540,000.00	0.00	4,540,000.00	0.00
Planning	770,000.00	0.00	770,000.00	0.00
Administrative	331,907.00	0.00	331,907.00	0.00
Governance and Org-Wide	412,465.00	0.00	412,465.00	0.00
Total Expense	<u>14,024,372.00</u>	<u>0.00</u>	<u>14,024,372.00</u>	<u>0.00</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Summary Of Investments

Investment Allocation



0.3%	CASH	16,510.75
30.3%	CASH EQUIVALENTS	1,529,405.78
69.4%	FIXED INCOME	3,508,278.60
100.0%	TOTAL	5,054,195.13

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	16,510.75	0.33	0	0.00
CASH EQUIVALENTS	1,529,405.78	30.26	64,235	4.20
FIXED INCOME	3,508,278.60	69.41	89,625	2.55
Total Fund	5,054,195.13	100.00	153,860	3.04

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	3,644.72	3,644.72	22.07
	ACCRUED INCOME	12,866.03	12,866.03	77.93
	TOTAL CASH	16,510.75*	16,510.75*	100.00*
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
1,529,405.78	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	1,529,405.78	1,529,405.78	100.00
	FIXED INCOME			
	U S TREASURY OBLIGATIONS			
500,000	US TREASURY NOTES 2.75% 04/30/2023	499,732.12	497,560.00	14.18



Statement Period
Account Number

01/01/2023 through 01/31/2023
BANK OF HAWAII
AGENT U/A DATED 10/31/2018 FOR
HAWAII TOURISM AUTHORITY -
TOURISM EMERGENCY TRUST
FUND

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
500,000	US TREASURY NOTES 2.75% 07/31/2023	499,434.65	495,060.00	14.11
500,000	US TREASURY NOTES 2.875% 10/31/2023	498,900.95	493,065.00	14.05
585,000	US TREASURY NOTES 2.5% 01/31/2024	580,119.36	572,223.60	16.31
500,000	US TREASURY NOTES 2.25% 04/30/2024	493,357.06	485,390.00	13.84
500,000	US TREASURY NOTES NOTE 2.125% 07/31/2024	494,457.09	482,735.00	13.76
500,000	US TREASURY NOTES 2.25% 10/31/2024	478,925.78	482,245.00	13.75
	TOTAL U S TREASURY OBLIGATIONS	3,544,927.01*	3,508,278.60*	100.00*
	Total Fund	5,090,843.54*	5,054,195.13*	100.00*

Hawaii Convention Center
Facility
Income Statement
From 12/01/2022 Through 12/31/2022
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	229,467	221,214	8,254	282,895	1,293,950	1,729,626	(435,676)	1,093,518
Service Revenue	129,710	31,956	97,754	24,940	665,165	412,382	252,783	683,527
Total Direct Event Income	359,177	253,170	106,008	307,835	1,959,114	2,142,008	(182,893)	1,777,044
Direct Service Expenses	158,837	158,631	(207)	89,209	1,029,598	1,205,069	175,470	753,913
Net Direct Event Income	200,340	94,539	105,801	218,626	929,516	936,939	(7,423)	1,023,131
Ancillary Income								
Food and Beverage (Net)	170,533	278,200	(107,667)	19,822	2,321,509	2,379,350	(57,841)	42,655
Event Parking (Net)	95,510	50,600	44,910	20,294	428,591	563,620	(135,029)	359,861
Electrical Services	1,000	1,920	(920)	2,000	25,905	24,760	1,145	2,000
Audio Visual	30,185	5,800	24,385	3,911	247,028	58,920	188,108	14,792
Internet Services	493	0	493	0	1,831	0	1,831	0
Rigging Services	480	240	240	82,661	50,117	66,240	(16,124)	84,003
First Aid Commissions	0	0	0	0	0	0	0	0
Total Ancillary Income	298,202	336,760	(38,558)	128,687	3,074,982	3,092,890	(17,908)	503,312
Total Event Income	498,541	431,299	67,242	347,313	4,004,498	4,029,829	(25,331)	1,526,443
Other Operating Income								
Non-Event Parking	828	583	245	0	2,672	3,498	(826)	3,480
Other Income	9,396	4,875	4,521	8,628	62,546	29,250	33,296	41,391
Total Other Operating Income	10,224	5,458	4,766	8,628	65,218	32,748	32,470	44,871
Total Gross Income	508,766	436,757	72,008	355,941	4,069,716	4,062,577	7,139	1,571,314
Net Salaries & Benefits								
Salaries & Wages	359,175	438,730	79,555	322,109	2,162,367	2,668,355	505,988	1,879,902
Payroll Taxes & Benefits	135,613	139,866	4,253	76,495	628,771	839,196	210,425	491,073
Labor Allocations to Events	(35,299)	(49,881)	(14,582)	(33,791)	(319,263)	(403,575)	(84,312)	(484,638)
Total Net Salaries & Benefits	459,489	528,715	69,226	364,814	2,471,876	3,103,976	632,100	1,886,338
Other Indirect Expenses								
Net Contracted Services	59,032	31,109	(27,923)	28,249	359,610	192,140	(167,470)	103,238
Operations	10,914	11,533	619	17,484	64,372	69,198	4,826	46,407
Repair & Maintenance	131,372	107,300	(24,072)	99,085	517,597	571,800	54,203	421,908
Operational Supplies	54,560	50,928	(3,632)	37,490	279,949	332,086	52,136	127,797
Insurance	20,021	18,185	(1,836)	11,345	125,684	117,153	(8,531)	71,078
Utilities	218,695	183,302	(35,393)	178,716	1,505,591	1,273,574	(232,017)	1,004,727
Meetings & Conventions	3,783	1,642	(2,141)	0	10,224	13,352	3,128	3,396
Promotions & Communications	2,887	4,550	1,663	2,565	16,362	27,300	10,938	(98)
General & Administrative	29,474	20,966	(8,508)	12,372	187,837	130,091	(57,746)	69,898
Management Fees	19,033	19,033	(0)	18,633	114,200	114,198	(2)	111,800
Other	17,899	10,983	(6,916)	6,343	74,200	65,898	(8,302)	12,493
Total Other Indirect	567,670	459,530	(108,139)	412,282	3,255,626	2,906,789	(348,837)	1,972,644
Net Income (Loss) before CIP Funded Expenses	(518,393)	(551,488)	33,095	(421,155)	(1,657,786)	(1,948,188)	290,402	(2,287,668)
CIP Funded Expenses	0	0	0	0	384	0	384	0
Net Income (Loss) from Operations	(518,393)	(551,488)	33,095	(421,155)	(1,657,401)	(1,948,188)	290,787	(2,287,668)
Fixed Asset Purchases	0	25,000	25,000	261,326	100,969	150,000	49,031	300,126
Net Income (Loss) After Fixed Asset Purchases	(518,393)	(576,488)	58,095	(682,481)	(1,758,371)	(2,098,188)	339,818	(2,587,794)

Hawaii Convention Center
Facility
Income Statement
From 12/01/2022 Through 12/31/2022
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Revenues								
Food & Beverage	497,097	481,655	15,442	34,582	3,994,688	4,099,061	(104,373)	266,770
Facility	508,851	326,488	182,363	428,849	2,865,970	2,975,536	(109,566)	2,327,602
Total Revenues	1,005,948	808,143	197,805	463,431	6,860,658	7,074,597	(213,939)	2,594,372
Expenses								
Food & Beverage	487,001	336,232	(150,769)	93,583	2,490,896	2,561,859	70,964	707,333
Facility	1,037,339	1,023,399	(13,940)	791,003	6,027,548	6,460,926	433,378	4,174,708
Total Expenses	1,524,340	1,359,631	(164,709)	884,586	8,518,444	9,022,785	504,341	4,882,040
Net Income (Loss) before CIP Funded Expenses	(518,393)	(551,488)	33,095	(421,155)	(1,657,786)	(1,948,188)	290,402	(2,287,668)
CIP Funded Expenses	0	0	0	0	384	0	384	0
Net Income (Loss) from Operations	(518,393)	(551,488)	33,095	(421,155)	(1,657,402)	(1,948,188)	290,786	(2,287,668)
Fixed Asset Purchases	0	25,000	25,000	261,326	100,969	150,000	49,031	300,126
Net Income (Loss) after Fixed Asset Purchases	(518,393)	(576,488)	58,095	(682,481)	(1,758,371)	(2,098,188)	339,817	(2,587,794)

8a.2

Budget Statement Summary

FY 23

As of January 31, 2023

Hawaii Tourism Authority
 Budget Statement - Summary
 FY 2023
 As of January 31, 2023

Category	2022 Tourism Federal Fund - ARPA [TFF]				2023 ARPA Funding				2022 EDA Grant			
	Fiscal Year 2022 and FY 2023				Fiscal Year 2023				Fiscal Year 2022 and FY 2023			
	Budget	Cumulative Budget Used	Balance	Activity for January 2023	Budget	Cumulative Budget Used	Balance	Activity for January 2023	Budget	Cumulative Budget Used	Balance	Activity for January 2023
Revenues												
TAT Revenue Allocation			-	-	35,000,000	-	35,000,000	-	-	-	-	-
Federal Funds	60,000,000	52,700,000	7,300,000	-	-	-	-	-	14,024,372	-	14,024,372	-
Prior Year Carryover	-	-	-	-	-	-	-	-	-	-	-	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	210	(210)	-	-	-	-	-	-	-	-	-
Total Revenues	60,000,000	52,700,210	7,299,790	-	35,000,000	-	35,000,000	-	14,024,372	-	14,024,372	-
Encumbrances												
Perpetuating Hawaiian Culture												
Hawaiian Culture Programs	4,544,845	1,234,292	3,310,553	-	1,775,500	-	1,775,500	-	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,544,845	1,234,292	3,310,553	-	1,775,500	-	1,775,500	-	-	-	-	-
Natural Resources												
Natural Resources Programs	1,915,000	100,000	1,815,000	-	500,000	-	500,000	-	7,200,000	-	7,200,000	-
In-House Contracted Staff - Natural Resources	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,915,000	100,000	1,815,000	-	500,000	-	500,000	-	7,200,000	-	7,200,000	-
Community												
Community Programs	3,685,500	120,000	3,565,500	-	1,260,500	-	1,260,500	-	1,520,000	-	1,520,000	-
In-House Contracted Staff - Community	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,685,500	120,000	3,565,500	-	1,260,500	-	1,260,500	-	1,520,000	-	1,520,000	-
Branding												
Branding Programs	31,673,655	29,792,839	1,880,816	342	25,360,000	8,730,000	16,630,000	8,730,000	4,000,000	-	4,000,000	-
In-House Contracted Staff - Branding	-	-	-	-	-	-	-	-	-	-	-	-
State Employee Salaries - Branding	2,036,532	1,937,857	98,675	-	-	-	-	-	540,000	-	540,000	-
Subtotal	33,710,187	31,730,696	1,979,491	342	25,360,000	8,730,000	16,630,000	8,730,000	4,540,000	-	4,540,000	-
Sports												
Sports Programs	6,311,889	2,844,889	3,467,000	-	2,000,000	-	2,000,000	-	-	-	-	-
Subtotal	6,311,889	2,844,889	3,467,000	-	2,000,000	-	2,000,000	-	-	-	-	-
Safety and Security												
Safety and Security Programs	700,000	152,044	547,956	-	100,000	-	100,000	-	-	-	-	-
Subtotal	700,000	152,044	547,956	-	100,000	-	100,000	-	-	-	-	-
Tourism Research												
Tourism Research Programs	60,000	-	60,000	-	65,000	-	65,000	-	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	60,000	-	60,000	-	65,000	-	65,000	-	-	-	-	-
Planning												
Planning Programs	2,005,200	780,330	1,224,870	-	661,799	-	661,799	-	20,000	-	20,000	-
In-House Contracted Staff - Planning	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	2,005,200	780,330	1,224,870	-	661,799	-	661,799	-	20,000	-	20,000	-
Administrative												
Operations	1,199,111	432,201	766,910	-	653,700	-	653,700	-	214,907	-	214,907	-
In-House Contracted Staff - Admin	-	-	-	-	-	-	-	-	-	-	-	-
State Employee Salaries - Admin	2,830,295	2,423,804	406,491	-	-	-	-	-	117,000	-	117,000	-
Subtotal	4,029,406	2,856,005	1,173,401	-	653,700	-	653,700	-	331,907	-	331,907	-
Organizationwide Costs												
State Employee Fringe	2,465,972	2,144,010	321,962	-	-	-	-	-	412,465	-	412,465	-
Organization-Wide	220,000	105,000	115,000	-	250,583	-	250,583	-	-	-	-	-
Governance - Board/Others	352,001	160,599	191,402	2,301	172,918	-	172,918	-	-	-	-	-
Subtotal	3,037,973	2,409,609	628,364	2,301	423,501	-	423,501	-	412,465	-	412,465	-
Payroll												
State Employee Fringe	-	-	-	-	-	-	-	-	20,000	-	20,000	-
State Employee Salaries - All Employees	-	-	-	-	2,200,000	-	2,200,000	-	-	-	-	-
Subtotal	-	-	-	-	2,200,000	-	2,200,000	-	20,000	-	20,000	-
Total Encumbrances	60,000,000	42,227,865	17,772,135	2,643	35,000,000	8,730,000	26,270,000	8,730,000	14,024,372	-	14,024,372	-
Revenues vs Encumbrances	-	10,472,345			-	(8,730,000)			-	-		

8a.3

Budget Statement FY23 Federal ARPA Funds
As of January 31, 2023

Program Code	Program Title	Budget FY23	Encumbered - Budget Used (Cumulative)	Remaining Balance	January 2023 Activity
<i>Tourism Federal Fund - FY 23</i>					
Perpetuating Hawaiian Culture					
203	Ma'ema'e HTA	50,000.00	0.00	50,000.00	0.00
204	Market Support	75,000.00	0.00	75,000.00	0.00
216	Olelo Hawaii	700,000.00	0.00	700,000.00	0.00
219	Hookipa Malihini Initiative	450,000.00	0.00	450,000.00	0.00
297	Memberships and Dues - Hawaiian Culture	500.00	0.00	500.00	0.00
374	Surfing	250,000.00	0.00	250,000.00	0.00
718	Resort Area Hawaiian Cultural Initiative	250,000.00	0.00	250,000.00	0.00
Subtotal	Perpetuating Hawaiian Culture	1,775,500.00	0.00	1,775,500.00	0.00
Natural Resources					
409	Tour Guide Certification Licensure Program	500,000.00	0.00	500,000.00	0.00
Subtotal	Natural Resources	500,000.00	0.00	500,000.00	0.00
Community					
702	Community Product Capacity Building (forn	300,000.00	0.00	300,000.00	0.00
731	Community-Based Tourism - Oahu	200,000.00	0.00	200,000.00	0.00
732	Community-Based Tourism - Maui County	200,000.00	0.00	200,000.00	0.00
733	Community-Based Tourism - Hawaii Island	200,000.00	0.00	200,000.00	0.00
734	Community-Based Tourism - Kauai	200,000.00	0.00	200,000.00	0.00
797	Memberships and Dues - Community	500.00	0.00	500.00	0.00
798	Travel - Community	10,000.00	0.00	10,000.00	0.00
802	Current Workforce Development (Industry	150,000.00	0.00	150,000.00	0.00
Subtotal	Community	1,260,500.00	0.00	1,260,500.00	0.00
Branding					
14	Pono Travel Education Program	500,000.00	0.00	500,000.00	0.00
102	Hawai'i Tourism Summit	100,000.00	0.00	100,000.00	0.00
317	Convention Center Sales & Marketing - City	2,600,000.00	0.00	2,600,000.00	0.00
318	gohawaii.com (formerly Online Website Co	500,000.00	0.00	500,000.00	0.00
319	MCI MFF	850,000.00	0.00	850,000.00	0.00
320	Island Chapters Staffing and Admin	1,200,000.00	1,200,000.00	0.00	1,200,000.00
321	US (formerly North America)	7,000,000.00	0.00	7,000,000.00	0.00
322	Canada	800,000.00	400,000.00	400,000.00	400,000.00
323	Japan	6,500,000.00	6,500,000.00	0.00	6,500,000.00
324	Korea	630,000.00	630,000.00	0.00	630,000.00
325	Oceania	950,000.00	0.00	950,000.00	0.00
329	China	120,000.00	0.00	120,000.00	0.00
331	Meetings, Convention & Incentives	1,900,000.00	0.00	1,900,000.00	0.00
350	Global Mkt Shared Resces (formerly Intelle	1,500,000.00	0.00	1,500,000.00	0.00
397	Memberships and Dues - Branding	160,000.00	0.00	160,000.00	0.00
398	Travel - Branding	50,000.00	0.00	50,000.00	0.00
934	State Employee Salaries - Branding	1,300,000.00	0.00	1,300,000.00	0.00
Subtotal	Branding	26,660,000.00	8,730,000.00	17,930,000.00	8,730,000.00
Sports					
385	Sports RFP or Other Procurement	2,000,000.00	0.00	2,000,000.00	0.00
Subtotal	Sports	2,000,000.00	0.00	2,000,000.00	0.00
Safety and Security					
602	Crisis Management	100,000.00	0.00	100,000.00	0.00
Subtotal	Safety and Security	100,000.00	0.00	100,000.00	0.00
Tourism Research					
506	Infrastructure Research (Accomodations ar	65,000.00	0.00	65,000.00	0.00
Subtotal	Tourism Research	65,000.00	0.00	65,000.00	0.00
Planning					
653	Hotspot Mitigation	200,000.00	0.00	200,000.00	0.00
657	Tourism Excellence Accreditation	450,000.00	0.00	450,000.00	0.00
698	Travel - Planning	11,799.00	0.00	11,799.00	0.00
Subtotal	Planning	661,799.00	0.00	661,799.00	0.00
Administrative					
101	Community-Industry Outreach & Public Rel	200,000.00	0.00	200,000.00	0.00
103	hawaiiauthority.org (formerly HTA \	50,000.00	0.00	50,000.00	0.00
901	General and Administrative	333,700.00	0.00	333,700.00	0.00
930	State Employee Salaries - Admin	900,000.00	0.00	900,000.00	0.00
998	Travel - Admin	70,000.00	0.00	70,000.00	0.00
Subtotal	Administrative	1,553,700.00	0.00	1,553,700.00	0.00
Governance and Org-Wide					
915	Organization-Wide	250,583.00	0.00	250,583.00	0.00
919	Governance - Gen Board/Others	172,918.00	0.00	172,918.00	0.00
Subtotal	Governance and Org-Wide	423,501.00	0.00	423,501.00	0.00
Total	FY 2023 Funds	35,000,000.00	8,730,000.00	26,270,000.00	8,730,000.00

8a.4

Budget Statement FY22 Federal ARPA Funds
As of January 31, 2023

Program Code	Program Title	Budget FY22	Encumbered - Budget Used (Cumulative)	Remaining Balance	January 2023 Activity	FY 2023 Activity
<i>Tourism Federal Fund</i>						
Perpetuating Hawaiian Culture						
201	Kūkulu Ola: Living Hawaiian Cultural Prog	1,500,000.00	0.00	1,500,000.00	0.00	0.00
202	Hawaiian Culture Initiative	475,000.00	0.00	475,000.00	0.00	0.00
203	Ma'ema'e HTA	50,000.00	0.00	50,000.00	0.00	0.00
204	Market Support	50,000.00	7,000.00	43,000.00	0.00	7,000.00
207	Kahea Program - Airport Greetings	700,000.00	700,000.00	0.00	0.00	700,000.00
214	Legacy Award Program	75,000.00	25,000.00	50,000.00	0.00	25,000.00
216	Olelo Hawaii	500,000.00	500,000.00	0.00	0.00	0.00
217	FESTPAC	250,000.00	0.00	250,000.00	0.00	0.00
218	Hawaiian Culture Festivals and Events	780,000.00	0.00	780,000.00	0.00	0.00
297	Memberships and Dues - Hawaiian Culture	500.00	300.00	200.00	0.00	300.00
298	Travel - Hawaiian Culture	14,345.00	1,991.84	12,353.16	0.00	1,991.84
718	Resort Area Hawaiian Cultural Initiative	150,000.00	0.00	150,000.00	0.00	0.00
Subtotal	Perpetuating Hawaiian Culture	4,544,845.00	1,234,291.84	3,310,553.16	0.00	734,291.84
Natural Resources						
402	Aloha Aina (formerly NR and Leg Prov NR)	1,500,000.00	0.00	1,500,000.00	0.00	0.00
406	Visitor Impact Program	350,000.00	50,000.00	300,000.00	0.00	0.00
407	Hawaii Eco Tourism Association	50,000.00	50,000.00	0.00	0.00	0.00
498	Travel - Natural Resources	15,000.00	0.00	15,000.00	0.00	0.00
Subtotal	Natural Resources	1,915,000.00	100,000.00	1,815,000.00	0.00	0.00
Community						
700	Community Opportunity	1,700,000.00	0.00	1,700,000.00	0.00	0.00
701	Community Enrichment Program	1,700,000.00	0.00	1,700,000.00	0.00	0.00
797	Memberships and Dues - Community	500.00	0.00	500.00	0.00	0.00
798	Travel - Community	15,000.00	0.00	15,000.00	0.00	0.00
803	Future Workforce Development (LEI)	270,000.00	120,000.00	150,000.00	0.00	0.00
Subtotal	Community	3,685,500.00	120,000.00	3,565,500.00	0.00	0.00
Branding						
004	Cruise Infrastructure Improvements and A	200,000.00	194,223.19	5,776.81	0.00	94,223.19
010	HTUS/HTJ Campaign Effectiveness Study	260,000.00	260,000.00	0.00	0.00	0.00
014	Pono Travel Education Program	400,000.00	400,000.00	0.00	0.00	0.00
102	Hawai'i Tourism Summit	231,000.00	230,999.30	0.70	0.00	225,748.00
317	Convention Center Sales & Marketing - City	2,600,000.00	2,600,000.00	0.00	0.00	0.00
318	gohawaii.com (formerly Online Website Co	774,500.00	387,500.00	387,000.00	0.00	155,000.00
319	MCI MFF	850,000.00	850,000.00	0.00	0.00	0.00
321	US (formerly North America)	22,500,000.00	21,250,000.00	1,250,000.00	0.00	8,500,000.00
331	Meetings, Convention & Incentives	1,900,000.00	1,900,000.00	0.00	0.00	0.00
339	Global Digital Marketing Strategy (former I	713,000.00	500,000.00	213,000.00	0.00	200,000.00
350	Global Mkt Shared Resces (formerly Intelle	987,500.00	987,500.00	0.00	0.00	395,000.00
380	Marketing Opportunity Fund	47,655.00	47,655.00	0.00	0.00	15,000.00
397	Memberships and Dues - Branding	160,000.00	137,265.00	22,735.00	0.00	0.00
398	Travel - Branding	50,000.00	47,696.29	2,303.71	342.20	31,713.25
934	State Employee Salaries - Branding	2,036,532.00	1,937,857.48	98,674.52	0.00	1,116,310.00
Subtotal	Branding	33,710,187.00	31,730,696.26	1,979,490.74	342.20	10,732,994.44
Sports						
312	PGA Tour Contracts	3,977,889.00	2,177,889.00	1,800,000.00	0.00	0.00
340	WTC - Ironman World Championships	250,000.00	250,000.00	0.00	0.00	250,000.00
343	LPGA	500,000.00	250,000.00	250,000.00	0.00	0.00
378	UH Athletics Branding Partnership	334,000.00	167,000.00	167,000.00	0.00	0.00
385	Sports RFP or Other Procurement	1,250,000.00	0.00	1,250,000.00	0.00	0.00
Subtotal	Sports	6,311,889.00	2,844,889.00	3,467,000.00	0.00	250,000.00
Safety and Security						
601	Visitor Assistance Programs	500,000.00	0.00	500,000.00	0.00	0.00
602	Crisis Management	100,000.00	52,043.88	47,956.12	0.00	5,098.96
604	Preventative Programs	100,000.00	100,000.00	0.00	0.00	0.00
Subtotal	Safety and Security	700,000.00	152,043.88	547,956.12	0.00	5,098.96
Tourism Research						
506	Infrastructure Research (Accomodations ar	60,000.00	0.00	60,000.00	0.00	0.00
Subtotal	Tourism Research	60,000.00	0.00	60,000.00	0.00	0.00
Planning						
652	Planning Tools and Assessments	410,000.00	111,585.32	298,414.68	0.00	0.00
653	Hotspot Mitigation	500,000.00	200,000.00	300,000.00	0.00	200,000.00
654	Program Evaluation	500,000.00	377,584.69	122,415.31	0.00	0.00
655	Community Engagement	175,000.00	4,560.28	170,439.72	0.00	4,560.28
656	Community Tourism Collaborative	400,000.00	75,000.00	325,000.00	0.00	75,000.00
697	Memberships and Dues - Planning	3,200.00	350.00	2,850.00	0.00	350.00
698	Travel - Planning	17,000.00	11,249.46	5,750.54	0.00	8,889.24
Subtotal	Planning	2,005,200.00	780,329.75	1,224,870.25	0.00	288,799.52
Administrative						
101	Community-Industry Outreach & Public Rel	200,000.00	200,000.00	0.00	0.00	0.00
103	hawaiiauthority.org (formerly HTA ')	100,000.00	24,546.80	75,453.20	0.00	0.00
901	General and Administrative	848,700.00	186,930.49	661,769.51	0.00	29,410.44
930	State Employee Salaries - Admin	2,830,295.00	2,423,803.66	406,491.34	0.00	1,450,517.00
998	Travel - Admin	50,411.00	20,724.13	29,686.87	0.00	11,392.18
Subtotal	Administrative	4,029,406.00	2,856,005.08	1,173,400.92	0.00	1,491,319.62
Governance and Org-Wide						
915	Organization-Wide	220,000.00	105,000.00	115,000.00	0.00	0.00
919	Governance - Gen Board/Others	352,001.00	160,599.75	191,401.25	2,300.51	56,547.40
931	State Employees Fringe	2,465,972.00	2,144,009.77	321,962.23	0.00	1,355,972.00
Subtotal	Governance and Org-Wide	3,037,973.00	2,409,609.52	628,363.48	2,300.51	1,412,519.40
Total	FY 2022 Funds	60,000,000.00	42,227,865.33	17,772,134.67	2,642.71	14,915,023.78
<i>Convention Center Federal Fund</i>						
Branding						
934	State Employee Salaries - Branding	72,458.00	12,613.84	59,844.16	0.00	0.00
Subtotal	Branding	72,458.00	12,613.84	59,844.16	0.00	0.00
Administrative						

Program Code	Program Title	Budget FY22	Encumbered - Budget Used (Cumulative)	Remaining Balance	January 2023 Activity	FY 2023 Activity
930	State Employee Salaries - Admin	247,042.00	226,060.43	20,981.57	0.00	0.00
Subtotal	Administrative	247,042.00	226,060.43	20,981.57	0.00	0.00
Governance and Org-Wide						
915	Organization-Wide	1,164,845.00	1,164,845.00	0.00	0.00	0.00
931	State Employees Fringe	170,000.00	72,220.04	97,779.96	0.00	0.00
Subtotal	Governance and Org-Wide	1,334,845.00	1,237,065.04	97,779.96	0.00	0.00
HCC Operating Expense						
850	HCC Operating Expense	5,406,900.00	5,406,900.00	0.00	0.00	0.00
Subtotal	HCC Operating Expense	5,406,900.00	5,406,900.00	0.00	0.00	0.00
HCC Repair and Maintenance						
860	HCC Repair and Maintenance	2,970,455.00	2,970,455.00	0.00	0.00	0.00
Subtotal	HCC Repair and Maintenance	2,970,455.00	2,970,455.00	0.00	0.00	0.00
HCC Local Sales						
871	HCC Local Sales	968,300.00	968,300.00	0.00	0.00	0.00
Subtotal	HCC Local Sales	968,300.00	968,300.00	0.00	0.00	0.00
Total	FY 2022 Funds	11,000,000.00	10,821,394.31	178,605.69	0.00	0.00
EDA Tourism Grant						
Natural Resources						
408	Outdoor Recreation (DLNR)	7,200,000.00	0.00	7,200,000.00	0.00	0.00
Subtotal	Natural Resources	7,200,000.00	0.00	7,200,000.00	0.00	0.00
Community						
656	Community Tourism Collaborative	750,000.00	0.00	750,000.00	0.00	0.00
736	Urban Trails	750,000.00	0.00	750,000.00	0.00	0.00
798	Travel - Community	20,000.00	0.00	20,000.00	0.00	0.00
Subtotal	Community	1,520,000.00	0.00	1,520,000.00	0.00	0.00
Branding						
300	Branding - Unallocated	4,000,000.00	0.00	4,000,000.00	0.00	0.00
934	Salaries - Branding	540,000.00	0.00	540,000.00	0.00	0.00
Subtotal	Branding	4,540,000.00	0.00	4,540,000.00	0.00	0.00
Planning						
698	Travel - Planning	20,000.00	0.00	20,000.00	0.00	0.00
Subtotal	Planning	20,000.00	0.00	20,000.00	0.00	0.00
Administrative						
901	Administrative	214,907.00	0.00	214,907.00	0.00	0.00
930	Salaries - Admin	117,000.00	0.00	117,000.00	0.00	0.00
Subtotal	Administrative	331,907.00	0.00	331,907.00	0.00	0.00
Governance and Org-Wide						
931	Fringe Benefits	412,465.00	0.00	412,465.00	0.00	0.00
Subtotal	Governance and Org-Wide	412,465.00	0.00	412,465.00	0.00	0.00
Total	FY 2022 Funds	14,024,372.00	0.00	14,024,372.00	0.00	0.00

8a.5

Budget Reallocation Summary
FY2022 ARPA Funds (TFF)
As of January 31, 2023

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through January 31, 2023

Budget Line Item	Program Code	Original Budget	Cumulative To-Date (Since Inception of Award)		January 2023 Activity
			Reallocation	Budget After Reallocations	
Perpetuating Hawaiian Culture					
<i>From:</i>					
Hawaiian Culture Opportunity Fund	215	200,000	(200,000)	-	
Travel - Hawaiian Culture	298	15,000	(655)	14,345	
Resort Area Hawaiian Culture Initiative	718	400,000	(250,000)	150,000	
				-	
				-	
			(450,655)		-
<i>To:</i>					
Resort Area Hawaiian Culture Initiative	718	-	400,000	400,000	
Kahea Airport Greetings	207	-	700,000	700,000	
Legacy Award Program	214	25,000	50,000	75,000	
Hawaiian Culture Festivals & Events	218	-	330,000	330,000 *	
				-	
				-	
			1,480,000		-
Natural Resources					
<i>From:</i>					
Wahi Pana Series	416	250,000	(250,000)	-	
				-	
				-	
			(250,000)		-
<i>To:</i>					
				-	
				-	
				-	
				-	
			-		-
Community					
<i>From:</i>					
Community Product Capacity Building	702	500,000	(500,000)	-	
Current Workforce	802	100,000	(100,000)	-	
				-	
			(600,000)		-
<i>To:</i>					
Future Workforce	803	120,000	150,000	270,000	
				-	
			150,000		-
Branding					
<i>From:</i>					
Route Development	005	250,000	(250,000)	-	

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through January 31, 2023

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	January 2023 Activity
gohawaii.com	318	2,500,000	(1,725,500)	774,500	
Campaig Effectiveness Study	010	270,000	(10,000)	260,000	
Island Chapters Staffing and Admin	320	-	-	-	
Rebranding the Hawaiian Islands	012	1,000,000	(1,000,000)	-	
Creative Agency	013	250,000	(250,000)	-	
Marketing Opportunity Fund	380	250,000	(202,345)	47,655	
			(3,437,845)		-
To:					
US MMA	321	22,500,000	-	22,500,000	-
Pono Travel Education Program	014	175,000	225,000	400,000	-
Hawaii Tourism Updates	102	125,000	106,000	231,000	-
Cruise Industry Consulting Services	004	100,000	100,000	200,000	-
Global Mkt Shared Resces (formerly Intellect Prop Data f	350	787,000	200,500	987,500	-
			631,500		-
Sports					
From:					
			-		-
To:					
UH Athletics Branding Partnership	378	-	334,000	334,000	-
Sports Programs - Unallocated	379	1,500,000	(1,500,000)	-	-
LPGA	343	-	500,000	500,000	-
WTC - Ironman Worrld Championships	340	-	250,000	250,000	-
Sports RFP or Other Procurement	385	-	1,250,000	1,250,000	-
PGA Tour Contracts	312	2,177,889	1,800,000	3,977,889	-
			2,634,000		-
Safety and Security					
From:					
Lifeguard Program	603	200,000	(200,000)	-	-
			(200,000)		-
To:					
			-	-	-
			-	-	-
			-		-

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through January 31, 2023

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	January 2023 Activity
Tourism Research					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
			-		-
Planning					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
			-		-
Administration					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
			-		-

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through January 31, 2023

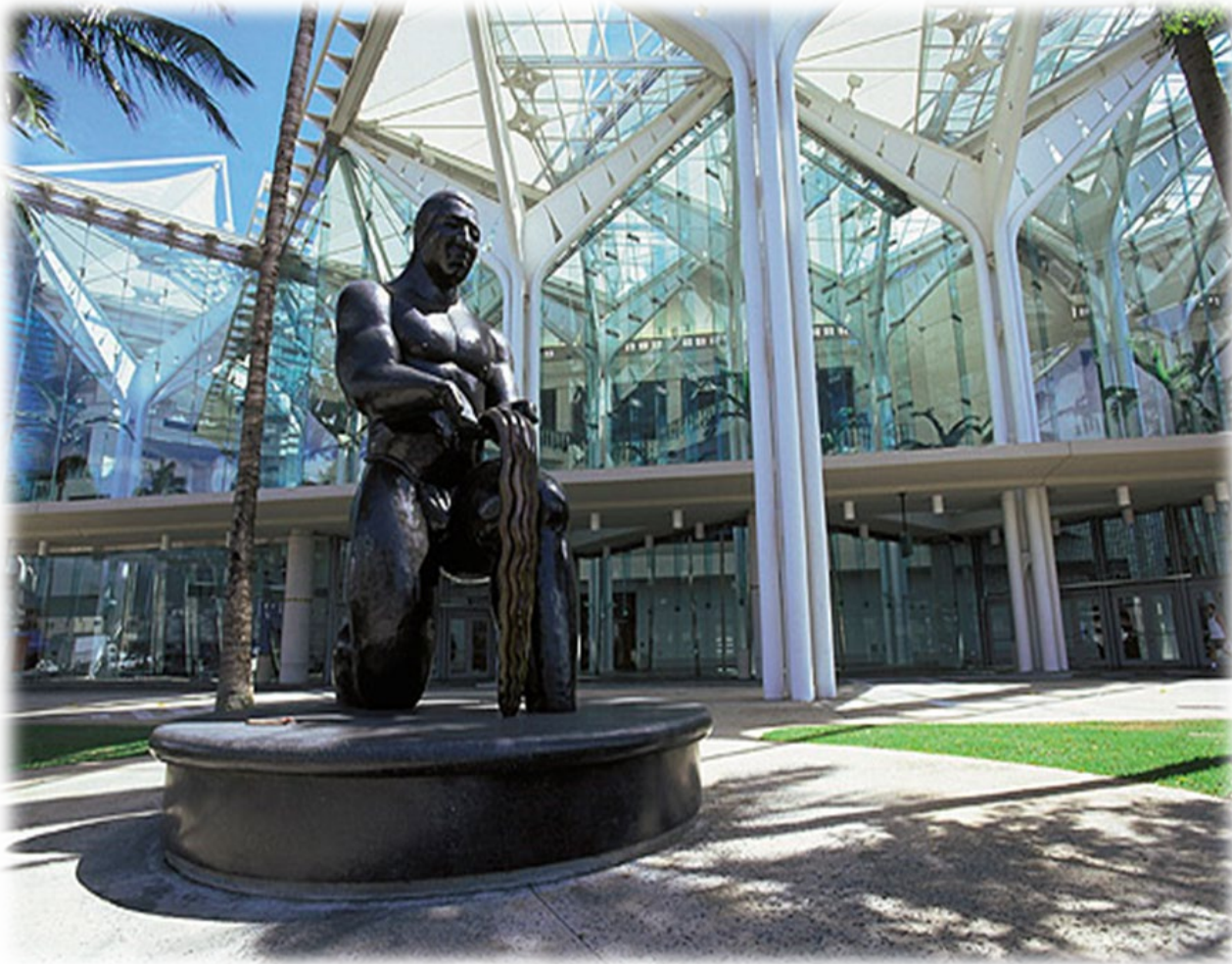
Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	January 2023 Activity
Governance and Organization-Wide					
<i>From:</i>					
Organization-Wide	915	230,000	(10,000)	220,000	
				-	
			(10,000)		-
<i>To:</i>					
Governance - Gen Board/Others	919	121,800	53,000	174,800	
				-	
			53,000		-
Board Allocations					
<i>From:</i>					
None				-	
			-		-
			-		-

*Excluded \$450,000 that was a release of funds for availability by the Board, as opposed to a reallocation.

8b

Hawaii Convention Center's January 2023 Financial Reports and Update on the Hawaii Convention Center's 6-Year CIP Plan

Hawai'i Convention Center



Update for
January 2023
For
(February 2023 meeting)

Financial Update

	Jan-23 FYTD Actual	FY 2023 Reforecast	FY 2023 Budget	Variance	FY 2022 Actual	CY 2019 Actual
Facility Occupancy	27%	29%	30%	-1%	29%	32%
Facility Number of Events	145	260	200	60	213	238
Facility Gross Revenue	\$7,928,000	\$12,714,700	\$13,041,400	-\$326,700	\$7,256,700	\$16,866,900
Facility Gross Expenses	-\$9,938,500	-\$18,082,100	-\$18,448,300	\$366,200	-\$11,842,500	-\$17,649,200
Facility Operating Subsidy	-\$2,010,500	-\$5,367,400	-\$5,406,900	\$39,500	-\$4,585,800	-\$782,300
Local S&M Gross Expenses	-\$485,700	-\$968,300	-\$968,300	\$0	-\$522,600	-\$5,315,000
HCC Operating Subsidy	-\$2,496,200	-\$6,335,700	-\$6,375,200	\$39,500	-\$5,108,400	-\$6,097,300

ROI January 2023 FYTD

HCC Revenue + State Revenue + Tax Revenue
= \$64.4M

HCC Expense + HVCB MCI Expense = \$13.5M

***ROI = For every dollar spent,
\$4.75 returned to the State***

FY 2023 Citywide Events in Reforecast

Start Date	End Date	Event Name	Forecast Attendance	Contracted Rooms	EEl Value	Tax Generation
7/1/2022	7/3/2022	Pacific Rim Championship 2022 (Jam on It)	1,600	1,000	\$5,048,727	\$590,701
7/10/2022	7/15/2022	Goldschmidt Conference 2022	2,500	5,100	\$13,129,182	\$1,536,115
10/19/2022	10/28/2022	2022 Applied Superconductivity Conference	1,300	3,189	\$8,638,489	\$1,010,703
11/7/2022	11/16/2022	Confidential Association Meeting	3,500	8,371	\$23,728,741	\$2,776,263
4/11/2023	4/23/2023	American Roentgen Ray Society	2,500	3,844	\$18,342,486	\$2,146,071
5/19/2023	5/22/2023	All Star Cheerleaders 2023	2,500	5,000	\$8,654,669	\$1,012,596
	6	Total	13,900	26,504	\$77,542,293	\$9,072,449

HCC has two remaining Citywide Events in our fiscal year. April and May 2023.

Recent Events @ Hawai'i Convention Center

- Pacific Water Conference (Feb 2-9) 800 attendees
- Aloha Region Volleyball President's Tournament, (Feb 11-12), 1,500 attendees



AMERICAN WATER WORKS ASSOCIATION HAWAII SECTION
& HAWAII WATER ENVIRONMENT ASSOCIATION

2023

PACIFIC WATER CONFERENCE
FEBRUARY 7 - 9, 2023



Upcoming Local/Citywide Events

- Kings Runner 10K Expo & Packet Pickup (March 3-4), 2,600 attendees
- Honolulu Festival 2023 (March 10-12), 10,000 attendees
- Kawaii Kon 2023 (March 31-April 2), 18,000 attendees



Carbon Offset Program



Total Contributions	Partner Trees Planted
\$3,764.27	5,693
<u>HCC Carbon Offset Trees Planted</u>	
47.45	



Notable January 2023 events include:

- Sony Open Dinner: **9 trees**
- TransPacific Volleyball Championships: **10 trees**

5,740

Total Legacy Trees Planted



14.35

Total Acres of Habitat Restored

As of January 2023
(total carbon offset costs)



Repair and Maintenance Projects Update

Repair & Maintenance Projects

6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Prior Expenses to Jan 23	FY23	FY24	FY25	FY26	FY27	FY28	Total
001	Rooftop Terrace Deck Temporary Repair	\$ 15,000,000	\$ -		\$ 15,000,000					\$ 15,000,000
	Rooftop Terrace Deck Temporary Repair - PM/CM Services	\$ 522,619	\$ -	\$ 200,000	\$ 322,619					\$ 522,619
	Rooftop Terrace Deck Temporary Repair (Previous planning)		\$ 626,152							\$ 626,152
003	Building Envelope Repairs (Kalākaua Kitchen, 3rd fl planters, planters, exterior paint)	\$ 18,632,703	\$ 282,071	\$ -	\$ 4,000,000	\$ 14,350,633				\$ 18,632,704
007	Kitchen Hood Control Panel Replacement	\$ 155,272	\$ 36,453	\$ 118,819						\$ 155,272
008	F&B Refrigerator, 3rd floor (#348) Replacement	\$ 319,004	\$ 14,047	\$ 20,000	\$ 284,957					\$ 319,004
009	Slate Tile Repair	\$ 2,142,108	\$ 26,008	\$ 2,116,099						\$ 2,142,107
010	Chiller Replacement	\$ 6,884,147	\$ 123,441	\$ 3,442,073	\$ 3,318,633					\$ 6,884,147
011	Ballroom Gutter, Foyer Transom Glass Repair and Soffit Repair	\$ 10,837,536	\$ 25,873	\$ 1,000,000	\$ 9,811,663					\$ 10,837,536
012	Parapet Roof Repairs	\$ 3,066,470	\$ 10,404	\$ -	\$ 1,035,000	\$ 2,021,066				\$ 3,066,470
013	Ballroom Roof Repairs	\$ 2,271,093	\$ 6,712	\$ -	\$ 2,264,381					\$ 2,271,093
014	Lobby Water Feature	\$ 1,086,810	\$ 1,985	\$ -	\$ -	\$ 1,084,825				\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 1,414,975	\$ 9,183	\$ 35,000	\$ 1,370,792					\$ 1,414,975
022	Chill Water Pipe Reinsulation	\$ 250,000	\$ -	\$ 250,000						\$ 250,000
023	Air Wall Repairs	\$ 400,000	\$ -	\$ 400,000						\$ 400,000
024	Roll-up Door Replacement	\$ 225,000	\$ 23,656		\$ 201,344					\$ 225,000
025	Ballroom and Meeting Room Wallpaper Replacement	\$ 180,000	\$ -	\$ 180,000						\$ 180,000
026	IT Network Upgrades	\$ 125,000	\$ -	\$ -	\$ -	\$ 55,000	\$ 70,000			\$ 125,000
027	Ice Machines Replacement	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000				\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 375,000	\$ 375,000		\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	\$ 155	\$ -	\$ -	\$ -	\$ 249,845	\$ 250,000		\$ 500,000
030	FB China and Equipment Upgrade	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000			\$ 3,500,000
031	Ala Wai Waterfall Repair	\$ 1,071,501	\$ 1,985	\$ -	\$ -	\$ 1,069,516				\$ 1,071,501
036	Water Intrusion Remediation	\$ 400,000	\$ -	\$ 400,000						\$ 400,000

Current Project
Project on hold
Cumming Managed Projects
RLB Managed Project
HCC Managed Project

Repair & Maintenance Projects

6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Prior Expenses to Jan 23	FY23	FY24	FY25	FY26	FY27	FY28	Total
037	Exterior Security Camera Upgrade	\$ 231,348	\$ 155,504	\$ 75,844						\$ 231,348
040	Exterior Planter Repair	\$ 2,406,540	\$ -	\$ -	\$ 2,406,540					\$ 2,406,540
041	Children's Courtyard Repair	\$ 329,162	\$ -	\$ -	\$ 329,162					\$ 329,162
042	Kahakai/Atkinson Drywell Rehabilitation	\$ 351,113	\$ -	\$ -			\$ 351,113			\$ 351,113
043	Air Handler Unit 9 and 10 Replacement	\$ 401,382	\$ -	\$ -		\$ 401,382				\$ 401,382
044	Fire Sprinkler Line Refurbishment	\$ 343,394	\$ -	\$ -			\$ 100,000	\$ 125,000	\$ 118,394	\$ 343,394
045	Escalator and Elevator Refurbishment	\$ 1,112,869	\$ -	\$ -			\$ 200,000	\$ 200,000	\$ 200,000	\$ 600,000
046	LED Light Upgrade	\$ 1,786,398	\$ -	\$ 500,000	\$ 1,286,398					\$ 1,786,398
047	Lighting Control System Replacement	\$ 200,000	\$ -	\$ -	\$ 200,000					\$ 200,000
048	Electrical Harmonics Testing	\$ 100,000	\$ -	\$ -				\$ 100,000		\$ 100,000
049	Main Kitchen Dishwasher Replacement	\$ 495,969	\$ -	\$ 495,969						\$ 495,969
050	Main Kitchen Flooring Replacement	\$ 2,046,380	\$ -	\$ -				\$ 2,046,380		\$ 2,046,380
051	PBX System Replacement	\$ 200,000	\$ -	\$ 200,000						\$ 200,000
052	Ride-on Sweeper Replacement	\$ 55,000	\$ -	\$ 55,000						\$ 55,000
053	Forklift	\$ 85,000	\$ -	\$ 85,000						\$ 85,000
054	Boardroom Upgrade	\$ 1,099,549	\$ -	\$ -			\$ 1,099,549			\$ 1,099,549
055	Elevator #2 Upgrade	\$ 250,000	\$ -	\$ -		\$ 250,000				\$ 250,000
056	Lobby Glass Panels Repair	\$ 170,000	\$ -	\$ 170,000						\$ 170,000
057	ADA Ramp for Stages	\$ 41,439	\$ -	\$ 41,439						\$ 41,439
058	Kitchen Hood Fire Suppression System Replacement	\$ 310,879	\$ 18,770	\$ 292,108						\$ 310,878
060	Lobby Sail Repair and Maintenance	\$ 179,000	\$ 41,196	\$ -	\$ 65,000	\$ 72,804				\$ 179,000
061	ADA Lift (#320) Replacement	\$ 160,000	\$ -	\$ 160,000						\$ 160,000
062	Kalākaua Loading Dock Gate Replacement	\$ 49,000	\$ 24,370	\$ 24,630						\$ 49,000
063	Escalator 1 Handrail Replacement	\$ 65,000	\$ -	\$ 65,000						\$ 65,000
064	F&B Equipment	\$ 300,000	\$ -	\$ -	\$ 150,000	\$ 150,000				\$ 300,000
	GRAND TOTAL	\$ 83,003,660	\$ 1,427,965	\$ 10,326,981	\$ 42,046,489	\$ 19,955,226	\$ 5,945,507	\$ 3,096,380	\$ 318,394	\$ 83,116,942

Current Project
Project on hold
Cumming Managed Projects
RLB Managed Project
HCC Managed Project



Repair & Maintenance Projects

Construction and Project Management Services

Cumming Group

- *For management of priority projects:*
 - *Kitchen Hood Control Panel and Fire Suppression Upgrade*
 - *Slate Tile Repair*
 - *Chiller Replacement*
 - *Main Kitchen Dishwasher Replacement*
 - *Ballroom Roof Repair*
 - *House Sound Audio Upgrade*
 - *Ballroom Gutter, Foyer transom glass and soffit repair*
 - *Exterior Planter Repair*
 - *LED Lighting Upgrade*
 - *Walk-in Refrigerator Replacement*

Rider Levett Bucknall

- *For management of Rooftop Terrace Deck Temporary Repair*

Repair & Maintenance Projects Completed (since 2020)

- *Gutter Trough, Roof Membrane and Other Roof Repairs; \$8.3M, completed 2020*
- *Boiler Replacement; \$585k, completed 2020*
- *Ala Wai Waterfall Repairs; \$185k, completed 2020*
- *Chiller 4 Repairs; \$55k, completed 2020*
- *#320 Roof Repairs; \$1.4M, completed 2020*
- *Banquet Chairs and Facility Equipment Upgrade; \$2.25M, completed 2020*
- *Cooling Tower Replacement; \$3.2M, completed 2021*
- *Theatre LED Lighting Upgrade; \$77k, completed 2021*
- *Roof Overflow Drain Repairs; \$16k, completed 2021*
- *Jockey Chiller Repairs; \$28k, completed 2021*
- *ADA Lift Replacement, \$71.5k, completed 2021*
- *Emergency Generator Repairs, \$32k, completed 2021*
- *Window Repairs – Vandalism, \$177k, completed 2021*
- *Leak Repairs – December 2021 / January 2022, \$396k, completed 2022*
- *Chiller Repairs – \$69.3k, completed 2022*
- *Trellis Renovation - \$4.7M, completed 2022*
- *Lobby Glass Replacement - \$25k, completed 2022*
- *Security Camera, NVR, Access Control System - \$1.56M, completed 2022*
- *Kitchen AC Compressor Replacement - \$16.5k, completed 2022*
- *Event Stage ADA Ramp - \$41k, completed 2023*

Mahalo Nui Loa

A close-up photograph of a sailboat's rigging. The image shows a wooden boom with a pulley block, ropes, and orange floats. The text "Mahalo Nui Loa" is overlaid in the center. The background is slightly blurred, showing other boats and greenery.

8d

Funding of United States Major Market Area Brand
Marketing and Destination Stewardship Requests for
Proposals***

8d.1

HTA Budget for RFP 23-08
Support Services for Destination Stewardship

HTA Budget for RFP 23-08 Support Services for Destination Stewardship

February 23, 2023

REGULAR BOARD MEETING

Summary

	FY 2022 \$60 million	FY 2023 \$35 million	FY 2024 \$75 million EB request	FY 2025 \$60 million EB request	Totals
Contract Period 1 (May 2023-Dec 2024)	\$ 1,095,000	\$ 3,600,000	\$ 12,770,000		\$ 17,465,000
Contract Period 2 (Jan 2025-Dec 2025)				\$ 10,600,000	\$ 10,600,000
Total Base Contract					\$ 28,065,000
Incremental Funding			\$ 2,000,000	\$ 4,000,000	\$ 6,000,000
Total Contract					<u>\$ 34,065,000</u>

Incremental Funding

	FY 2024	FY 2025	Total
Contract Period 1 (May 2023-Dec 2024)	\$ 2,000,000		\$ 2,000,000
Contract Period 2 (Jan 2025-Dec 2025)		\$ 4,000,000	\$ 4,000,000
Total:	\$ 2,000,000	\$ 4,000,000	\$ 6,000,000

8d.2

RFP 23-03

Base & Incremental Funding

Base & Incremental Funding

RFP 23-03

Hawai'i Tourism Destination Brand Management & Marketing Services
for the US Market

Base Funding

	FY22 \$60 Million	FY23 \$35 Million	FY24 \$75 Million EB Request	FY25 \$60 Million EB Request	Totals
July-Dec 23		\$4,000,000	\$4,000,000		\$8,000,000
Jan-Dec 24			\$14,350,000		\$14,350,000
Jan-Dec 25				\$16,000,000	\$16,000,000
Totals		\$4,000,000	\$18,350,000	\$16,000,000	\$38,350,000

Incremental Funding

	FY24	FY25	Totals
July-Dec 23	\$1,250,000		\$1,250,000
Jan-Dec 24	\$5,650,000		\$5,650,000
Jan-Dec 25		\$6,000,000	\$6,000,000
Totals	\$6,900,000	\$6,000,000	\$12,900,000

The availability of funds to HTA for any fiscal year (July 1 to June 30) shall initially be subject to the passage of a budget appropriation of public funds by the Legislature, and subsequently to the approval of an allotment of the budgeted funds by the Governor, through the Director of the Department of Budget & Finance, State of Hawai'i, and final allocation and approval by the HTA Board of Directors. These amounts are an estimate and subject to the availability of funds, current market conditions, and other factors.

9

Report and Update by the
Ho'okahua Hawai'i Standing Committee of their
Meeting held on February 16, 2023

9ab

- 9a. Implementation of Aina Aloha Economic Futures Principles in the Work of the HTA
- 9b. Includes Destination Management Action Plans

**Hō'ike'ike a Kūkā no nā Kahua Hana 'Āina Aloha Economic
Futures ma ka Hana a ka HTA.**

*Presentation and Discussion on the Implementation of
'Āina Aloha Economic Futures principles in the work of the
HTA.*

February 16, 2023





mālama
KU'U HOME

Caring for My Beloved Home



Strategic Plan 2020-2025

Regenerative Tourism

**Natural
Resources**

**Hawaiian
Culture**

Community

**Brand
Marketing**

Destination Management Action Plans

Regenerative Tourism
seeks to balance the economics of
tourism with the wellbeing of our
communities and natural resources.



'Āina Aloha
ECONOMIC FUTURES

'Āina Aloha

Economic
Development +
Stewardship

'Ōpū Ali'i

Equity &
Inclusive
Leadership

**'Imi 'Oī
Kelakela**

Excellence In
Creativity &
Innovation

Ho'okipa

Mindful
Resource
Management

RFP 23-03 Hawai'i Tourism Destination Brand Management & Marketing Services for the United States Market



Proposal Evaluation

EVALUATION CRITERION	Scoring Weight Maximum Score
<p>OVERALL CAPABILITIES OF FIRM & QUALIFICATIONS OF PERSONNEL</p> <p>The evaluation will include an assessment of the company, considering factors listed in Section 3 of this RFP and in SPO Form 21 (Qualifications Questionnaire), including but not limited to the depth of experience and demonstrated success with similar projects, capabilities and company resources, experience working with State, county, and federal agencies, and professional work experience in Hawai'i.</p> <p>The evaluation will also include an assessment of the qualifications, experience, and specific knowledge of Offeror's managerial team, staff, and subcontractors as it relates to the requirements of this RFP, and the full-time equivalent positions dedicated to the HTA account.</p>	25
<p>BRAND MARKETING PLANS (BMPs)</p> <p>The evaluation will include an assessment of the quality of the proposed marketing strategies, targets set for KPIs, performance measures, campaign/program creativity and innovation, and the value received such as the maximum services provided in relation to the administrative fees charged.</p>	25
<p>FAMILIARITY WITH HAWAII BRAND AND PRODUCT</p> <p>The evaluation will include an assessment of Offeror's understanding of the Hawaiian Islands, its people, the Native Hawaiian culture, Hawai'i's multi-ethnic culture and the HTA; and how Offeror integrates this knowledge throughout the proposal. <i>Note: this is not a separate section of the proposal but is an analysis of the whole proposal.</i></p>	25
<p>LONG-TERM VISION AND ROADMAP</p> <p>The evaluation will include an assessment of the quality of the proposed long-term vision and roadmap for 2023-2025 alignment with the HTA Strategic Plan pillars, priorities and KPIs, and the HTA board's commitment to the Aloha+ Challenge and the 'Āina Aloha Economic Futures Declaration.</p>	15
<p>COST</p> <p>In accordance with HAR §3-122-52 and HRS Chapter 103D, the proposal with the lowest cost factor, based on the total cost for the initial three-year contract period (not to exceed \$51,250,000.00), must receive the highest available rating allocated to cost. Each proposal that has a higher cost factor than the lowest must have a lower rating for cost. Additionally, the points allocated to higher-priced proposals must be equal to the lowest proposal price multiplied by the maximum points available for price, divided by the higher proposal price.</p>	10
TOTAL	100



NaHHA's Work Aligns to:



HTA Strategic Plan Objectives



Mālama Ku'u Home Strategic Mindset Objectives



Aloha+ Challenge Goals



UN Sustainable Development Goals



'Āina Aloha Economic Futures Guiding Principals



Destination Management Action Plan Items



Example from NaHHA Work Plan

- **1E. Ho‘onui ‘Ike: Workforce Training**

Provide cultural educational and training programs including ‘Ōlelo Hawai‘i for employees in the visitor industry.

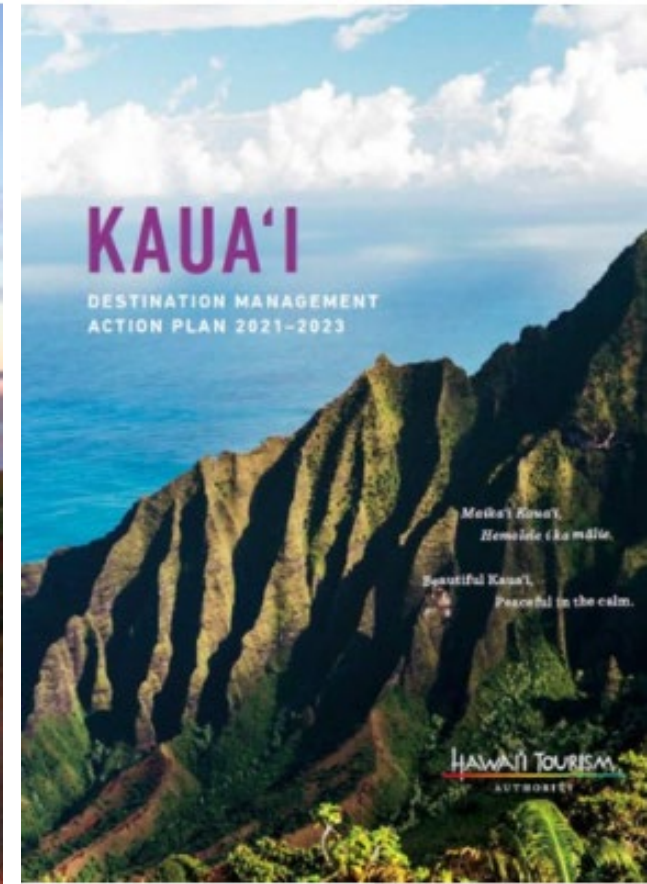
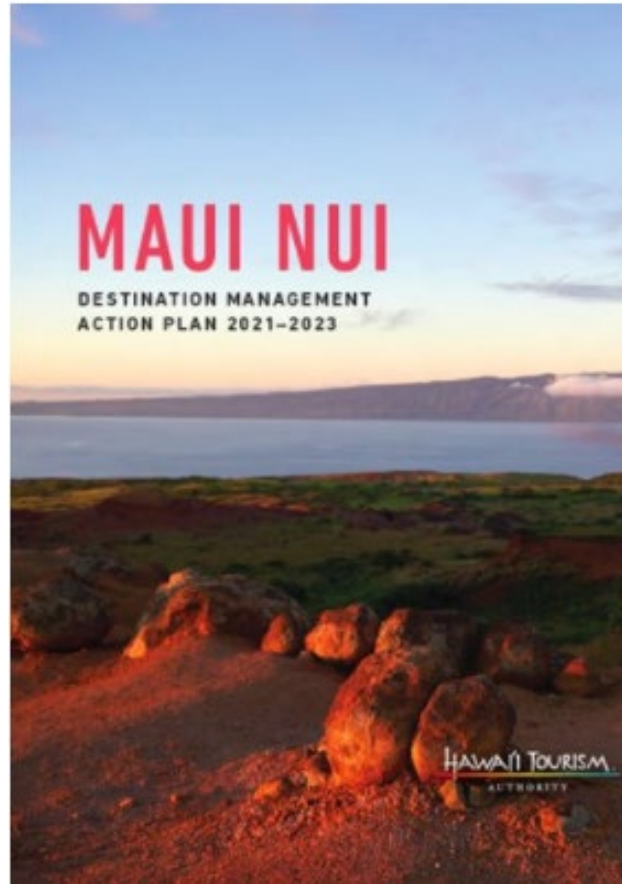
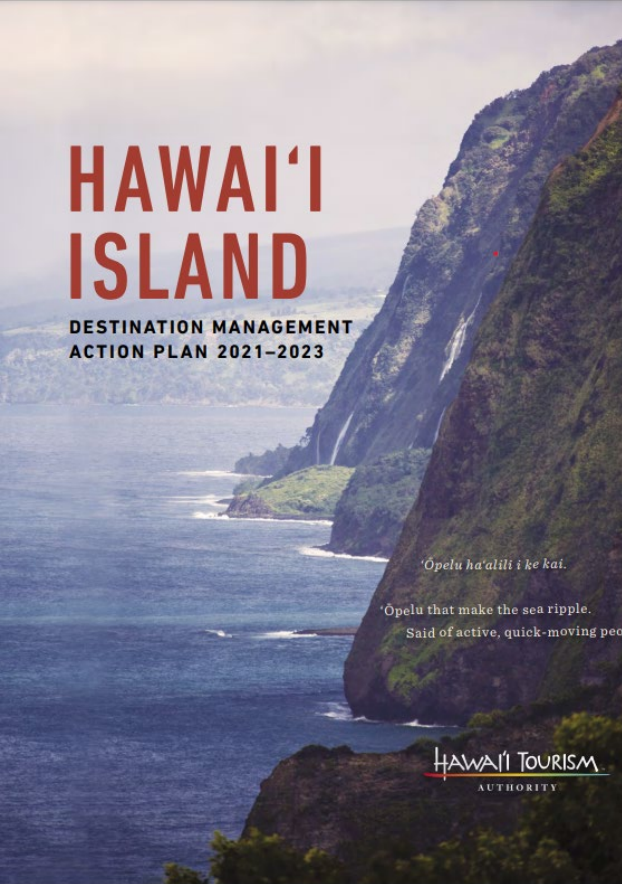
- Deliver NaHHA’s proven curriculum in distance or in-person formats.
- Develop an annual recognition program (seal, certificate, media, award) for businesses that complete NaHHA programs.
- Encourage and provide technical assistance for the integration of ‘Ōlelo Hawai‘i into workforce and adult training programs.
- Document trainings and participants to include in reports to the State.
- Engage with the UH School of Travel Industry Management to prepare a study of certification and licensure of professional tour guides.
- Goals Addressed
 - HTA SP: Hawaiian Culture 1 3 5, Brand Marketing 1
 - DMAP: Hawai‘i B.2 B.3 B.6 B.8 C.3, Maui D.4
 - SDG: 4
 - ‘ĀAEF: ‘Imi ‘Oī Kelakela, Ho‘okipa

Program Logic Model



'Āina Aloha Measures

Pillar	Potential Measure of Success	Measures				
		Moves away from 'āina Aloha (1)	No movement (2)	Moving toward 'āina Aloha (3)	Practicing 'āina Aloha (4)	Leading 'āina Aloha (5)
Natural Resources	Supports the vibrancy and integrity of Hawai'i environments (land, water, ocean, sky, and native flora and fauna)	Produces environmental damage	Has no impact, or a net neutral impact, on Hawai'i's environments	Contributes in a demonstrable manner to the vibrancy and integrity of Hawai'i environments as a secondary or indirect focus of activities	Focuses on improving the fertility or integrity of the environment as a core activity	Focuses on improving the fertility or integrity of the environment as a core activity and supports others to engage in similar efforts
Hawaiian Culture	Supports Hawaiian cultural vitality and the application of 'ike kūpuna including the use of 'ōlelo Hawai'i and symbiotic, ancestral relationships to 'āina	Diminishes Hawaiian cultural vitality, limits the use of 'ōlelo Hawai'i, constrains relationships to 'āina, fails to recognize the value of 'ike kūpuna, or gives non-cultural practitioners authority to determine the cultural validity of assessments by cultural practitioners	Uses Hawaiian cultural symbols and some 'ōlelo Hawai'i but does not incorporate Hawaiian values, 'ike kūpuna, or the importance of relationships to 'āina	Applies Hawaiian cultural values in its operations, engages in periodic mālama 'āina activities, includes the use of 'ōlelo Hawai'i, and recognizes the value of 'ike kūpuna	Incorporates 'ike kūpuna in strategies and tactics, demonstrates a close relationship to 'āina, and creates opportunities that foster Hawaiian cultural vitality, including the use of 'ōlelo Hawai'i	Incorporates 'ike kūpuna and Hawaiian cultural vitality in its core goals, engages 'ōlelo Hawai'i as a key component of its work, strengthens community-level symbiotic relationships to 'āina, and assists other entities to achieve the same
Community	Positively impacts community well-being, equity, cohesion, capacity, and empowerment	Harms community well-being, creates community dissension, or undermines community self-determination	Does not impact, positively or negatively, community well-being	Improves community well-being, especially related to meeting basic needs; and contributes to building community cohesion and the capacity of individuals to self-determine	Improves community well-being, especially related to meeting basic needs; directly strengthens community cohesion; and builds the capacity of individuals to self-determine	Demonstrates community self-determination and improves long-term positive change in community conditions, especially related to meeting basic needs
Community	Improves the resilience and diversity of locally owned and resourced small businesses that align with 'āina Aloha goals	Diminishes the ability of locally owned and resourced small businesses to achieve long-term economic viability, or creates barriers to opening new businesses for Hawai'i entrepreneurs	Maintains conditions resulting in high closer rates of Hawai'i small businesses, engagement in dominant industries and markets, and underrepresentation of various groups in the business sector	Procures a majority of goods and services from locally owned and resourced small businesses that align with 'āina Aloha goals where those goods and services are available	Coordinates, promotes, or provides support for locally owned and resourced small businesses that align with 'āina Aloha goals to enhance their long-term resilience	Expands markets for locally owned and resourced small businesses, or stimulates the birth and long-term resilience of locally owned and resourced businesses that align with 'āina Aloha goals and that diversify the profile of owners and businesses in Hawai'i
Community	Increases hiring, career readiness, and leadership opportunities for target groups (in preferential order: Hawai'i residents, expatriate Native Hawaiians, and Hawai'i-born individuals who wish to return)	Hires non-Hawai'i residents for a majority of open positions or includes a majority of non-Hawai'i residents in the upper leadership of the organization	Does not provide a net gain in employment or career opportunities, or hires individuals in the target group only for lower-end positions but not for management or leadership roles	Hires individuals in the target group for 50% of positions, including some management or leadership positions, but does not provide training opportunities to ensure upward career ladders for its employees	Hires individuals in the target group for 80% of positions, including upper leadership positions, and provides training opportunities to ensure upward career ladders for its employees; or focuses on career readiness training for Hawai'i residents	Ensures that individuals in the target group are hired for 100% of positions, including upper leadership positions, and provides training opportunities to ensure upward career ladders for its employees; or focuses on career readiness training for Hawai'i residents related to land stewardship, food production, energy self-sufficiency, technology, education, or other sectors that would help to diversify Hawai'i's economy
Visitor Experience	Improves the resilience and diversity of locally owned and resourced small businesses that align with 'āina Aloha goals	Diminishes the ability of locally owned and resourced small businesses to achieve long-term economic viability, or creates barriers to opening new businesses for Hawai'i entrepreneurs	Maintains conditions resulting in high closer rates of Hawai'i small businesses, engagement in dominant industries and markets, and underrepresentation of various groups in the business sector	Procures a majority of goods and services from locally owned and resourced small businesses that align with 'āina Aloha goals where those goods and services are available	Coordinates, promotes, or provides support for locally owned and resourced small businesses that align with 'āina Aloha goals to enhance their long-term resilience	Expands markets for locally owned and resourced small businesses, or stimulates the birth and long-term resilience of locally owned and resourced businesses that align with 'āina Aloha goals and that diversify the profile of owners and businesses in Hawai'i
Visitor Experience	Contributes to building a circular economy to create regenerative outcomes for 'āina, natural resources, and communities	Takes finite natural resources to make products intended to have a limited lifecycle after which the products become waste that must be disposed, or perpetuates reliance on single-use products and imported items	Does not involve the use, creation, demolition, or disposal of items or structures, and does not involve the purchase of single-use items and imported items	Develops or provides alternatives to single-use products, or creates programs to help communities reduce their reliance on single-use products and imported items	Contributes to "return and renew" practices where products or structures can be disassembled at the end of their useful life cycle and reused, refurbished, or recycled, or scales up programs to help communities reduce their reliance on single-use products and imported items	Organizes networks that reuse or recycle each other's "waste" and/or designs products or structures that are long-lasting, easily repaired, and recyclable when no longer usable; or creates programs that shift communities' practices toward adopting circular economy principles, including reducing reliance on single-use products and imported items
Branding	Incorporates innovative approaches (involving methods, processes, technologies, relationships, and communications) that improve the well-being of communities and natural environments	Applies approaches that are inefficient, extractive, or that negatively affect the well-being of communities and natural environments	Does not create or apply innovative approaches or applies innovations that have no impact on the well-being of communities or natural environments	Introduces innovations that improve the well-being of communities and natural environments	Introduces innovations that improve the well-being, sustainability, and resilience of communities and natural environments	Introduces innovations that improve the well-being, sustainability, and resilience of communities and natural environments, and assists others to do the same
Branding (TBD)	Economic impact - how visitor spending impacts tax revenue.	ROI is negative	ROI at rate of inflation	ROI 5 above rate of inflation	ROI 5 - 10	ROI 10+



Destination Management Action Plans – Update to Ho'okahua Hawai'i Standing Committee

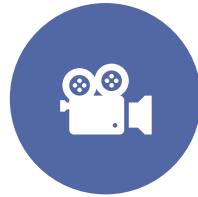
Caroline Anderson
Director of Planning
February 16, 2023



Kaua'i DMAP – Snapshot of Top Activities in 2023



Collaboration with Kaua'i Invasive Species Committee and Hoike Community Television education and awareness videos



New Pono Travel video and Mālama Kaua'i video produced



Ongoing community outreach through radio, TV and social media



"We are Kaua'i" – training and onboarding



Working with County for opportunities to support a data collection program with its park stewards and kuleana crew



Building Cultural Practitioner List



Wildlife Summit



Ocean Awareness Webinar Training

Maui DMAP – Snapshot of Top Activities in 2023



East Maui Advisory Group
Discussions continue –
Pilot Tourism Management
Stewardship Program



Rise Above Plastics
Program



Reef friendly landscaping
programs



Communications Plan and
activities targeted at
residents



Continuation of Native
Hawaiian Hospitality
Association's Cultural
Training Webinars



Building Cultural
Practitioner List



Hawai'i Green Business
Program Green Hotel
Forums

Moloka'i DMAP – Snapshot of Top Activities in 2023



Messaging and Collateral Development



Needs Assessments Surveys ended - Identifying Resources, build programs



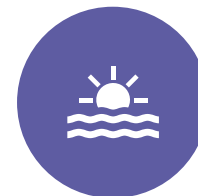
Support for a Moloka'i DMAP Coordinator



Participation in Moloka'i Resource Fair



Addressing restoration of affordable and dependable air transportation service

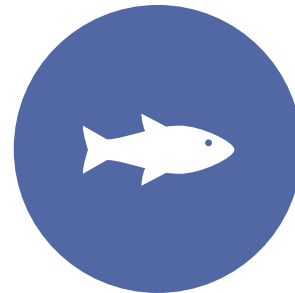


Addressing carrying capacity

Lānaʻi DMAP – Snapshot of Top Activities in 2023



Lānaʻi Advisory Group meeting at end of the month focus on sustainable tourism practices



Reef Safe Sunscreen Dispenser Installation



New Social Media Campaign



Distribution of new Lānaʻi brochures

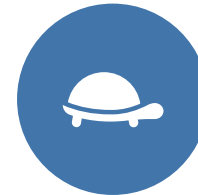
Hawai'i Island DMAP – Snapshot of Top Activities in 2023



Signage for Waipi'o Valley Lookout



Support County's Community Lead program for Keaukaha and other areas



Support for Mālama Punalu'u Steward program



Develop and execute employee and community appreciation campaign for national tourism week in May

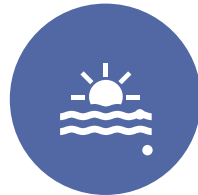


Tracking County's bill on vacation rental regulations

O'ahu DMAP – Snapshot of Top Activities in 2023



Support for City's
Good Food Show



Waikiki Hula Mound



Waikiki Historic Trails
– Enhancement
Project



Getaroundoahu.com
site



Waze App



Beacons at 5
critical/hotspot areas

Other Actions

- DMAP microsite – will be live at the end of the February
- Meeting with agencies to review Hotspots Lists
- Finalizing Phase 2 Reports and Progress Report for O‘ahu
- Hawai‘i Food Hub Hui Webinar
- HTA’s Community Enrichment, Aloha ‘Āina, Kūkulu Ola and Signature Events programs for 2023
- Pono Travel Education at Airports continue
- Global Marketing Team continues efforts of educating visitors about responsible travel and promotion of buying local, and Mālama Hawai‘i.
- Maemae Toolkit anticipated to be published by Q1.

10

Report and Update by the
Branding Standing Committee of their
Meeting Held on February 15, 2023

10c

2023 Hawaii Tourism Japan Brand Marketing Plan



HAWAII TOURISM™

JAPAN

2023 Brand Marketing Plan

Mitsue Varley

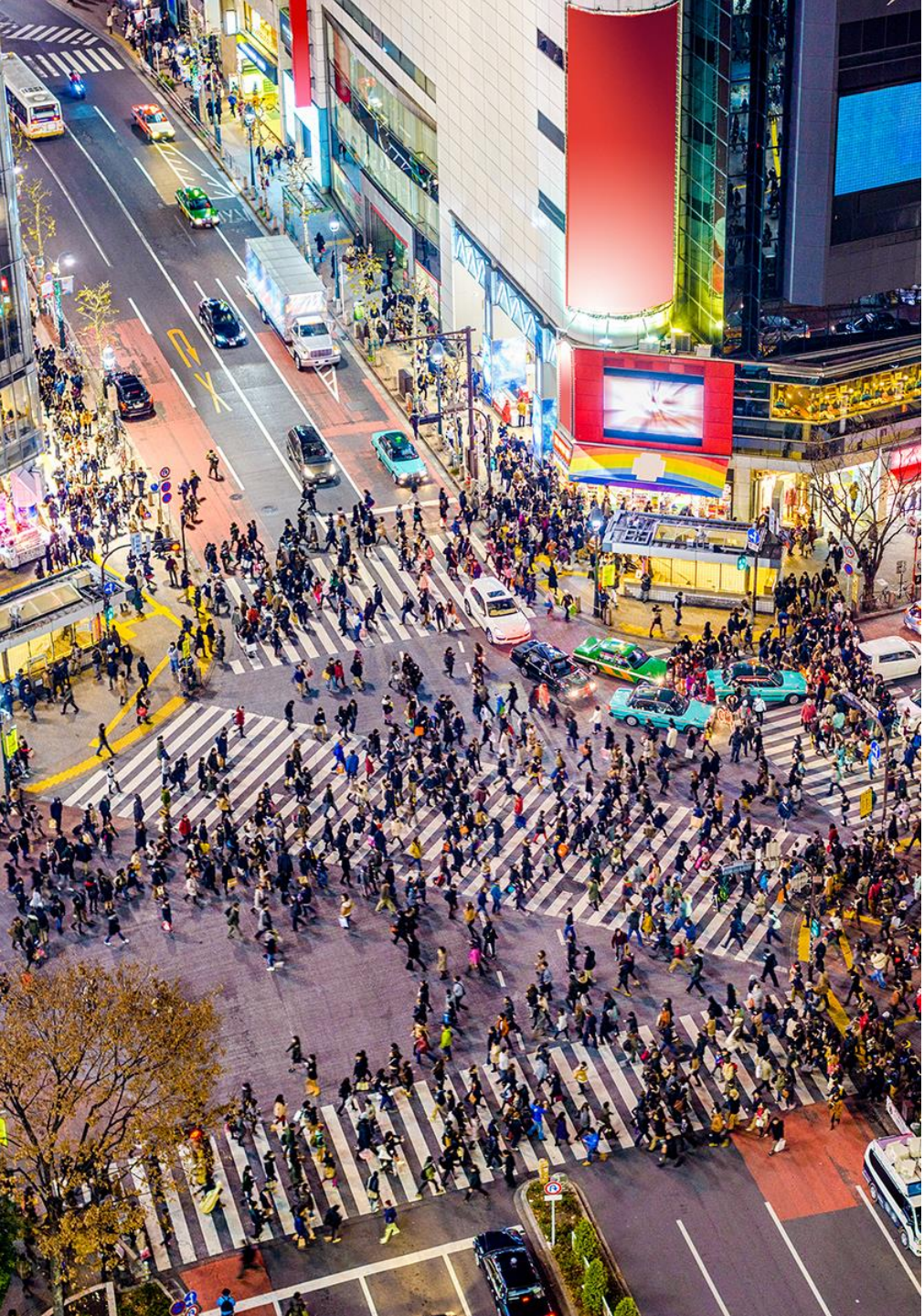
Japan, Country Director



AGENDA

- Market Situation
- Target Audience
- 2023 BMP Strategy
- Key Campaigns/Programs

MARKET SITUATION



GENERAL ECONOMY

- Recovery in 2022 Q4
- Japan's GDP estimated to rebound 2.3% in Q4
- Strong consumer spending and exports
- Gradual strengthening yen
- Government stimulus package to drive modest recovery



OUTBOUND TRAVEL

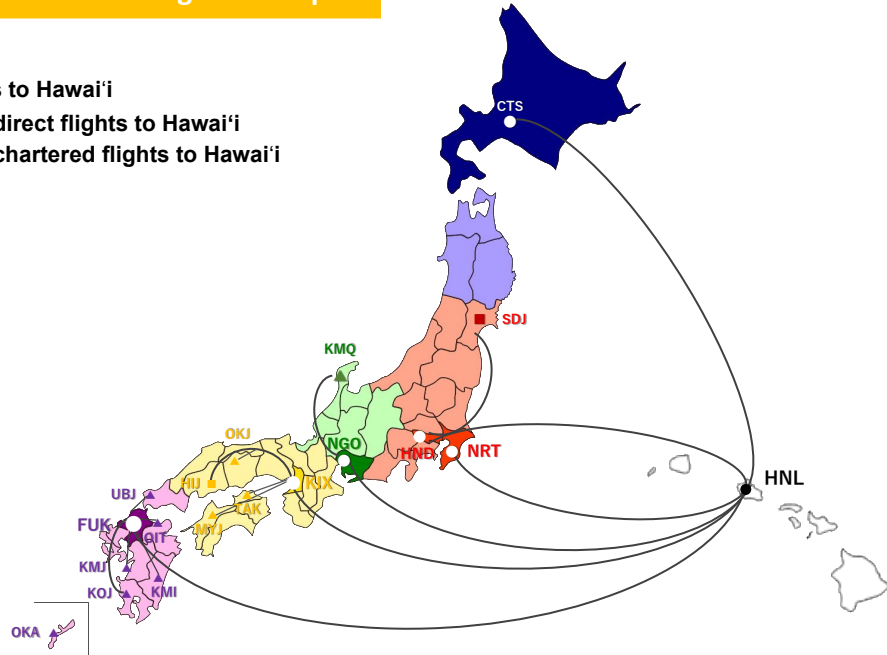
- Japan's borders reopened to foreign visitors in October 2022
- Return of inbound foreigner to stimulate Japan's economy
- Outbound recovery to follow
- Domestic travel promotion by Japanese government



GENERAL TRAVEL SENTIMENT

- Downgrade COVID-19 to Class V under the Infectious Diseases Control Law
- Vaccination program accelerated by Japan government
- Hawai'i remains top destination of choice

- Direct flights to Hawai'i
- Suspended direct flights to Hawai'i
- ▲ Suspended chartered flights to Hawai'i



AIR SEAT SYNOPSIS

Top 5 % Share by Area (2019)

Kanto/Narita/Haneda	50.9%
Kinki/Kansai	16.1%
Chubu/Nagoya	16.0%
Kyushu/Fukuoka	5.3%
Tohoku	4.2%

	Flights			Seats		
	2023	2019	%Change	2023	2019	%Change
Feb-23	240	632	-62.03%	65,110	158,160	-58.83%
Mar-23	327	694	-52.88%	84,383	173,638	-51.40%
Apr-23	450	634	-29.02%	116,464	158,756	-26.64%

COMPETITIVE LANDSCAPE



Short Haul Destinations

- South Korea
- Taiwan
- Hong Kong/Macau
- Thailand
- Singapore
- Guam



Long Haul Destinations

- Europe
- Canada
- Australia

TARGET AUDIENCE

TARGET AUDIENCE



**Affluent
Traveler**



**Romantic
Couples**



**Experience
Seekers**



**Ethical
Younger
Generation**



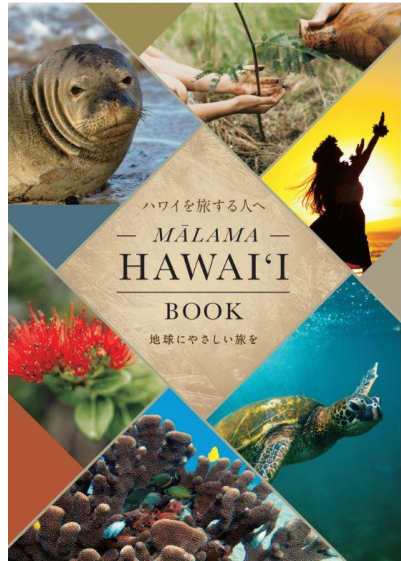
**Multi
Generation
Family**

Target regions with direct flights to Hawai'i, annual household income of \$75,000+ and over \$1 million in assets

2023 BMMP STRATEGY

HAWAI'I CORE BRAND MESSAGING

Position Mālama Hawai'i as the catalyst for change in our state's regenerative tourism approach



PICK UP!

1 取り組み紹介

Mālama Hawai'i INITIATIVES

01 ゼロウェイストストア
 ハワイに廃棄物が存在しない、より持続可能なコミュニティを目指して「ゼロウェイストア」は、廃棄物の少ない実業を築くため、商業施設周辺の清掃、資源、プログラムを推進している団体です。プログラムの一つ Full Cycle Takeout は、ハワイ島のゴミの少ないテイクアウトの導入を目的に作られた、持ち帰り用容器の再利用プログラム。対象レストランで、持ち帰り可能な容器に入っている料理を受け取ったら、7日以内に返却ステーションに容器を返却し、テイクアウトを通じて、エコな旅が生まれています。

02 オラカイ株式会社
 ハワイの海水で育てられたシーアブラガスは、環境にやさしい博士の畑からウェンハオ・ワン博士が2006年に創立したマリリン・アグリチャーナー社の「シーアブラガス」製水による水耕栽培で、商業施設で「オーガニック」であることで、また「オーガニック」の水田の水を確保して行われるので、殺菌剤を入れる必要がない持続可能な水田です。

03 マラマイナホ
 地球上最古の海洋生物の一種、クマガメを絶滅の危機から保護する取り組みハワイのクマガメを保護する非営利団体「マラマイナホ」。ホネ・ガーディアンと呼ばれるボランティアが、カメがビーチに現れると、クマガメを見とる人たちに正しい知識や行動を伝え、認識してもらう役割を担っています。

HAWAI'I TOURISM
JAPAN

世界は、変わった。
 パワでは世界が変化した。
 テムルグアにはサトウキビが育ち、
 海物語ではシロクアオアグアが再び舞った。
 ハワイの島が輝きを増やしていき、
 私たち人間も、その輝きを増やしていった。
 今までありえなかった日々の暮らしを、
 生き生きと知ることができた。
 この地で暮らすことの美しさを、
 実感するようになった。

そんな今だから、旅の楽しみ方が違ってきた。
 旅をするという行動がまた変わってきた。
 その輝きの風土や伝統、生活やスタイルを尊重し、
 出会うすべての旅仲間や文化に共感しながら、
 旅を味わう。旅を楽しむ。

自分と旅する人、それぞれの旅路に寄り添うことで、
 それぞれの思いが分かち合うことで、
 旅をまた楽しめる。
 さあ、地球にやさしい旅を、始めよう。

— MĀLAMA —
HAWAI'I

地球にやさしい旅を

あたらしい旅、はじまる。

わたしたちは、すべての旅を、応援します。



STRATEGY

- Accelerate immediate recovery efforts by regaining direct flight access and implementing targeted promotions to build travel momentum
- Showcase Hawai'i's brand appeal over competing destinations
- Promote regenerative tourism growth on all islands
- Cultivate mindful travelers as sustainability ambassadors for Hawai'i
- Drive multi-island visitations



STRATEGY

- Expand pre- and post-arrival education at events, satellite offices and through travel partners and lounges
- Collaborate with Island Chapters on DMAP implementation efforts by developing experiences, products and educational resources
- Promote positive visitor impacts to improve resident sentiment
- Connect local residents with visitors from Japan through a shared values approach to strengthen the relationship between the two regions

KEY CAMPAIGNS/PROGRAMS

MĀLAMA HAWAI'I CAMPAIGN

Elevate Hawai'i's brand positioning by inspiring the mālama concept to keep the Hawaiian Islands top of mind while improving sentiment for travel abroad. HTJ will place digital, SNS, taxi ads, and out-of-home advertisement.



DIGITAL MARKETING

rolaofficial
Hawaii Big Island

⋮

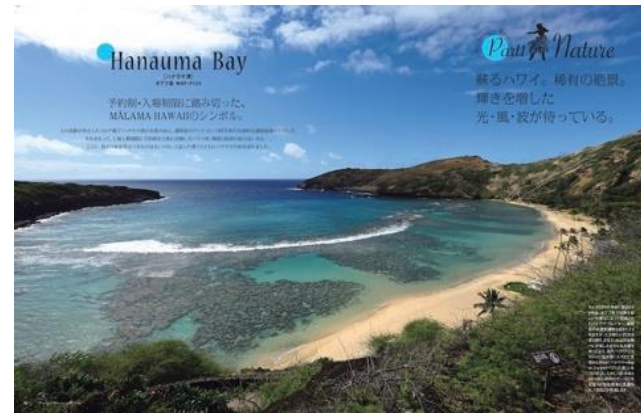


Mālama Hawai'i Ambassador
Instagram posting/live



HTJ x Tabippo
Mālama Hawai'i Week

MEDIA RELATIONS ~MĀLAMA HAWAI'I 100~



ROMANCE MARKET PROMOTION



HAWAII TOURISM
HAWAII
HAWAII

ROMANCE CHECK HAWAII

海を見ながら好き。
海を見る彼は、もっと好き。

allhawaii

オールハワイ ウエディング



HAWAII TOURISM
HAWAII
HAWAII

夫婦生活はいいことばかりじゃないけど、
やっぱり、あなたと結婚してよかった。

ROMANCE CHECK HAWAII

allhawaii

オールハワイ ウエディング



GOLF PROMOTION



HAWAI'I EXPO

Collaborate with stakeholders to create an authentic Hawai'i experience in the Japan market.

2023 GOAL

14K

Consumers

55

Travel Trade Partners



MAJOR HAWAI‘I EVENTS IN JAPAN

Date	Event	Location	Estimated Attendees
5/18 – 5/21	RKB Aloha Monarch Hawai‘i Matsuri	Hakata Daimaru Passage	30,000
5/19-5/21	Aloha Tokyo	Ebisu Garden Place	184,000
5/26-5/28	JST Nagoya Hawai‘i Festival	Oasis 21	85,000
6/2-6/4	Aloha Yokohama	Yokohama Akarenga Souko	45,000
July	Hankyu Hawai‘i Fair	Hankyu Umeda Store	30,000
10/26-10/29	Tourism EXPO Japan 2023	INTEX Osaka	124,074



PRIVATE SECTOR COLLABORATION

Partner with well-known nationwide companies to draw on the power of their consumer data and drive the Mālama Hawai'i messaging to broad audiences across Japan.



ロッテから
ハワイ州観光局公認商品登場!



JAPAN SUMMIT

Invite key travel agencies and provide opportunity for local industry stakeholders to meet in person to develop travel products. HTJ will conduct educational seminars and cultural workshops.



JAPAN MISSION

Provide networking and relationship building opportunities for Island Chapters and local suppliers with key industry partners and stakeholders in the Japan market. HTJ will organize B to B seminars, workshops and roadshows.





**ALOHA
PROGRAM**

ALOHA PROGRAM

Focus on providing hands-on experiences through various workshops and FAM tours. Train the trainer curriculum will be created to support Japanese docent program and develop products that offer authentic and deeper experiences.



EDUCATIONAL PROGRAM

Drive educational programs to position Hawai'i as a learning destination, while raising interest in SDGs initiatives in Japan. HTJ will develop seminars and workshops in Japan and connect schools and organizations to develop future exchange programs.



LEVERAGING SISTER CITY RELATIONSHIPS

HTJ will support efforts of State of Hawai'i and county offices as they continue to reinforce their established relationships with sister cities across Japan.



— *MĀLAMA* —
HAWAI‘I

地球にやさしい旅を



MAHALO NUI LOA!

HAWAII TOURISM
JAPAN

10d

2023 Hawaii Tourism Oceania Brand Marketing Plan



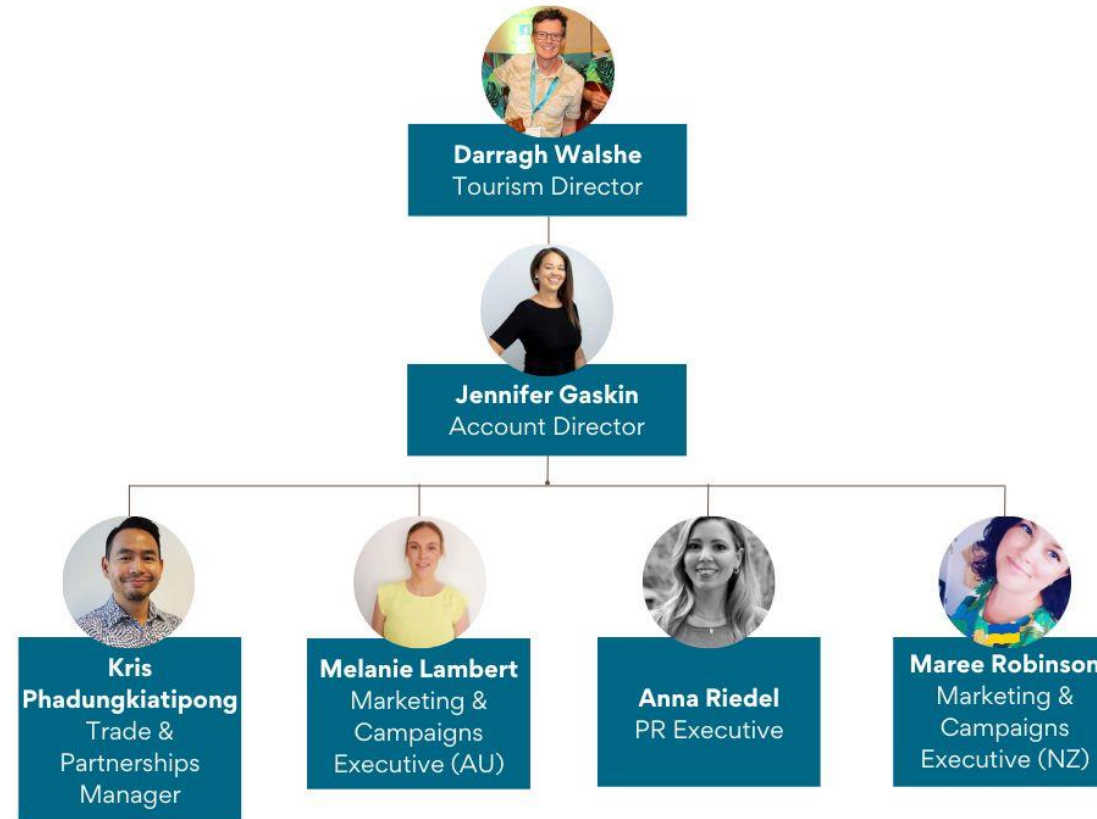
2023 Brand Management Plan (BMP) & Destination Management Support Plan (DMSP)

15 Pepeluali 2023

15 February 2023

Darragh Walshe
Tourism Director, HTO

HAWAI'I TOURISM OCEANIA TEAM



2023 BMP BRAND MANAGEMENT PLAN



MARKET SITUATION

MARKET SITUATION

General economy

- While Australia will likely avoid a recession next year, the OECD believes the Reserve Bank will hike up interest rates another 1.25 per cent
- Rising inflation, rising interest rates, hikes in fuel costs and falling wages are having an impact on many Australians and New Zealanders. However, unemployment remains low at 3.4%.
- The Australian and New Zealand dollar has remained low against the USD for much of 2022 and is currently trading at 0.66 cents. The 'Big 4' major Australian banks have predicted a slight increase for 2023, with an expected range between 65 and 70 US cents.

MARKET SITUATION

Outbound travel/boarder restrictions

While borders reopened in November 2021, restrictions around vaccinations and quarantine remained in place until July 2022. In addition, airline capacity is much lower than 2019, with around 45% less capacity from Australia in 2022 versus 2019.

The top five destinations visited saw a change to previous years:

Australia

2019	2022
New Zealand	New Zealand
Indonesia	USA
USA	India
UK	UK
China	Fiji

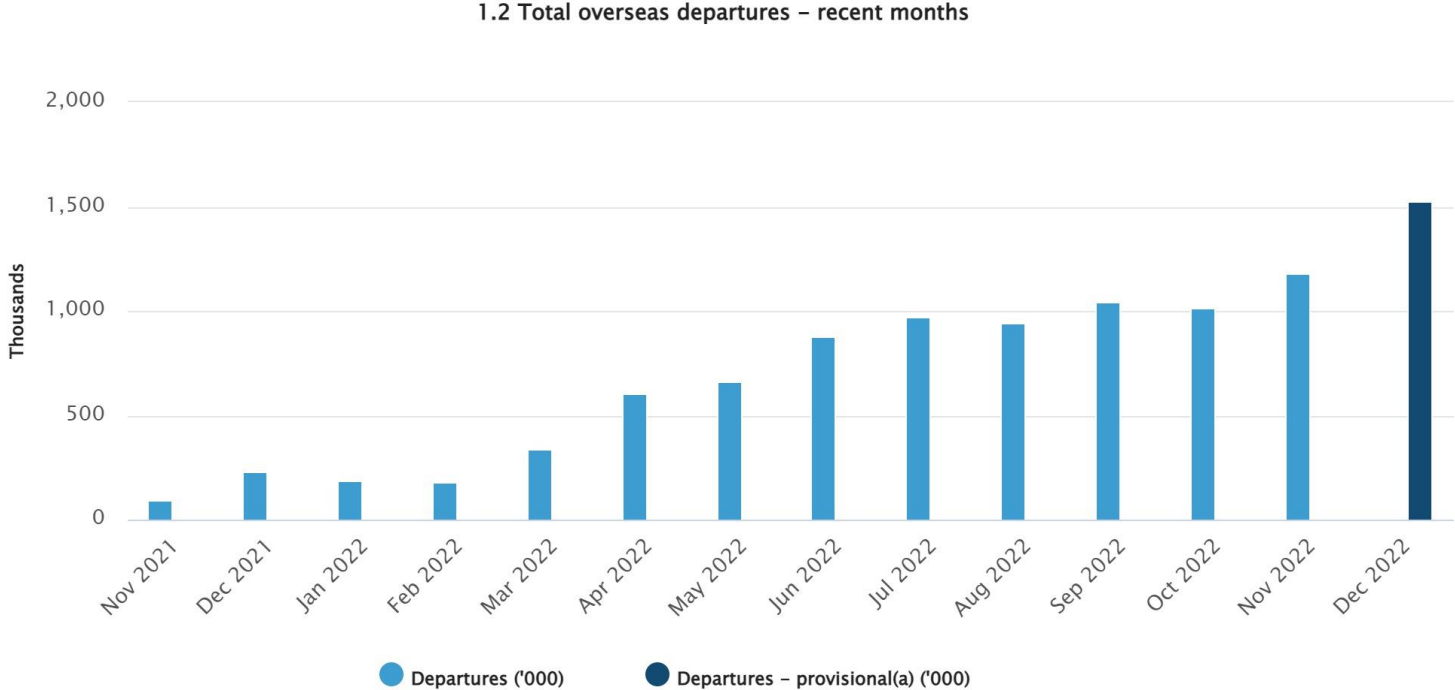
New Zealand

2019	2022
Australia	Australia
USA	Fiji
Fiji	Cook Islands
China	UK
UK	USA

MARKET SITUATION

General travel sentiment

Australia



a. Provisional data for the most recent month has not had the full quality assurance methods applied as is done for the earlier months. Provisional data will be revised in the next issue of this publication.

Source: Australian Bureau of Statistics, Overseas Arrivals and Departures, Australia November 2022



Consumer travel survey

Do you intend to visit Hawai'i in the future?

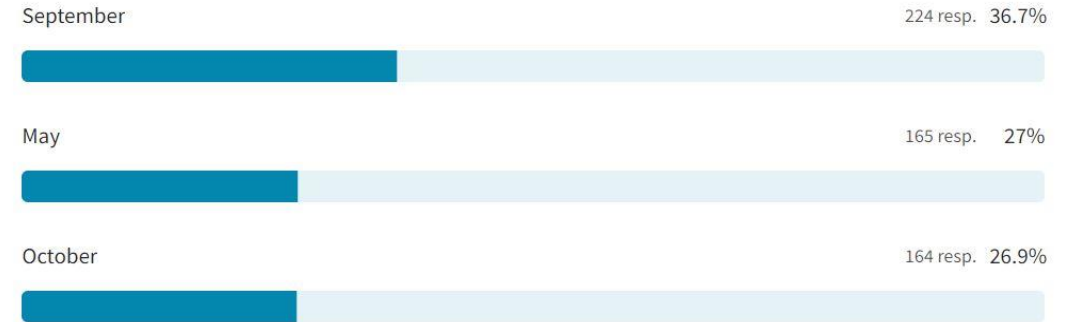
307 out of 635 answered



MARKET SITUATION

Which is your preferred month to travel?

610 out of 635 answered

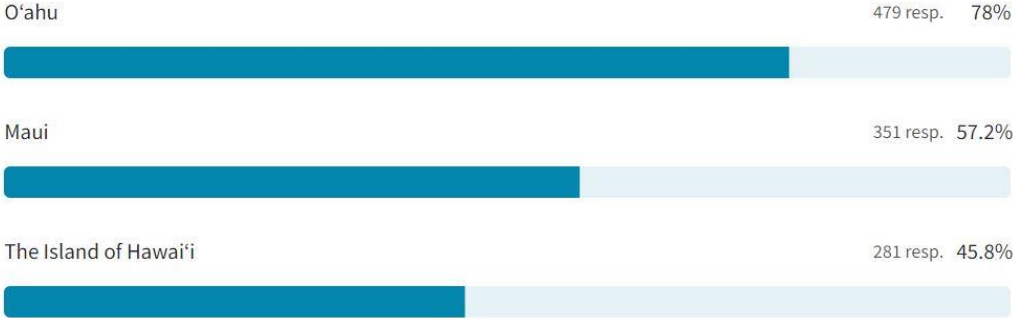


MARKET SITUATION

Consumer travel survey

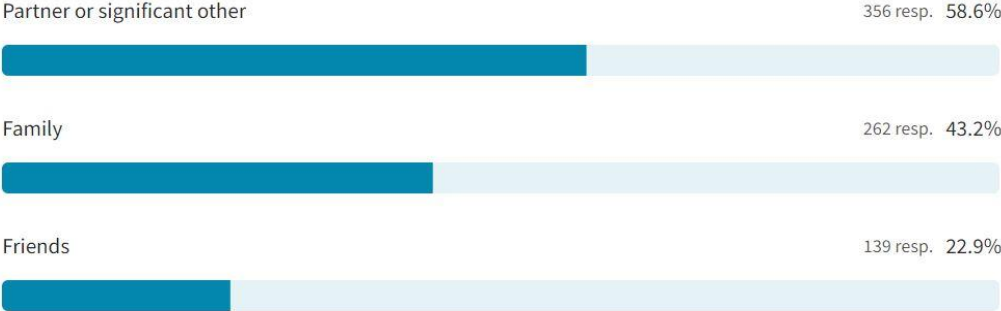
Which island(s) do you most want to visit?

614 out of 635 answered



Who do you plan to travel with?

607 out of 635 answered

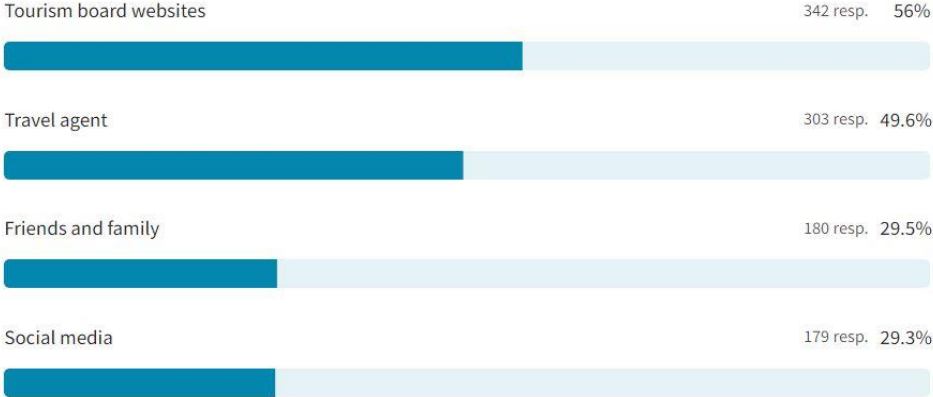


MARKET SITUATION

Consumer travel survey

Which of the following methods do you use to plan your future holidays?

611 out of 635 answered



Which, if any, would be reasons for not visiting Hawai'i?

587 out of 635 answered



MARKET SITUATION

Air seat synopsis



MARKET SITUATION

Competitive landscape



- High awareness
- Easy and safe
- Short flight
- Large-scale post-Covid consumer campaigns
- New brand campaign and website with focus on culture



- High Awareness
- Cheaper travel
- Low-cost airlines
- Short flight
- Ease of travel



- High awareness
- Just launched multi-million dollar outdoor and digital ad campaign



- High awareness
- Most popular USA destination
- Road trips and multi-destination itineraries
- Theme parks



TARGET AUDIENCE

TARGET AUDIENCE

Fun & Fit families

Looking for a safe and cost-effective holiday destination during the main school holidays. The destination needs to have activities that tick the box for every member of the family. Relaxation and food and drink experiences for the adults, active soft adventure for the kids and cultural activities that provide learning and cultural immersion opportunities for everyone.

Key Needs

- Hotels with room configurations or inter-connecting rooms suitable for children
- Hotels with facilities and activities for children
- Authentic, high-quality culinary experiences
- Easily accessible outdoor, soft-adventure activities
- Opportunities to connect with local culture and interact with local people

Examples of Key Experiences

- Manta ray snorkel
- Lē'ahi hike
- Volcanoes National Park



TARGET AUDIENCE

Curious couples

While our couples' segment has traditionally skewed older, research shows that younger couples are more likely to be mindful and responsible travelers. Couples who are double income, no kids (DINKS) have successful careers and no family responsibilities and spend the most on themselves of any demographic.

Key Needs

- Experiences are the key driver for this demographic, authentic cultural experiences, outdoor activities and unique food and drink offerings
- This demographic is likely to choose hotels that are modern and well located, preferring boutique hotels where possible.
- Sustainability and traveling responsibly is important to these couples and they want to find opportunities to give back during their vacation

Examples of Key Experiences

- Exploring Kaka'ako
- Kilohana Plantation rum safari
- Gunstock ranch ATV and tree planting
- Community festivals and events



2023 STRATEGY



STRATEGY

Core branding message for 2023



Connection

By delving deeper into the relationships Hawaiians have with the land, the ocean and their culture, we'll be giving visitors a deeper understanding of why the Hawaiian Islands are so special and how visitors also play a role in their protection and regeneration.



Culture

The spirit of aloha, cherished traditions, history, and culture are what make Hawai'i unique. Our activities aim to build a deeper connection between the visitor and the Hawaiian Islands by sharing these deep-rooted cultural traditions.



Culinary

Post-Covid, food and drink is emerging as one of the strongest trends in travel. Travelers are seeking culinary adventures to sample authentic ingredients, cuisines and drinks, and to dive deep into the kaleidoscope of flavors, textures and stories of the people, process and place that go into them.

KEY CAMPAIGNS/PROGRAMS



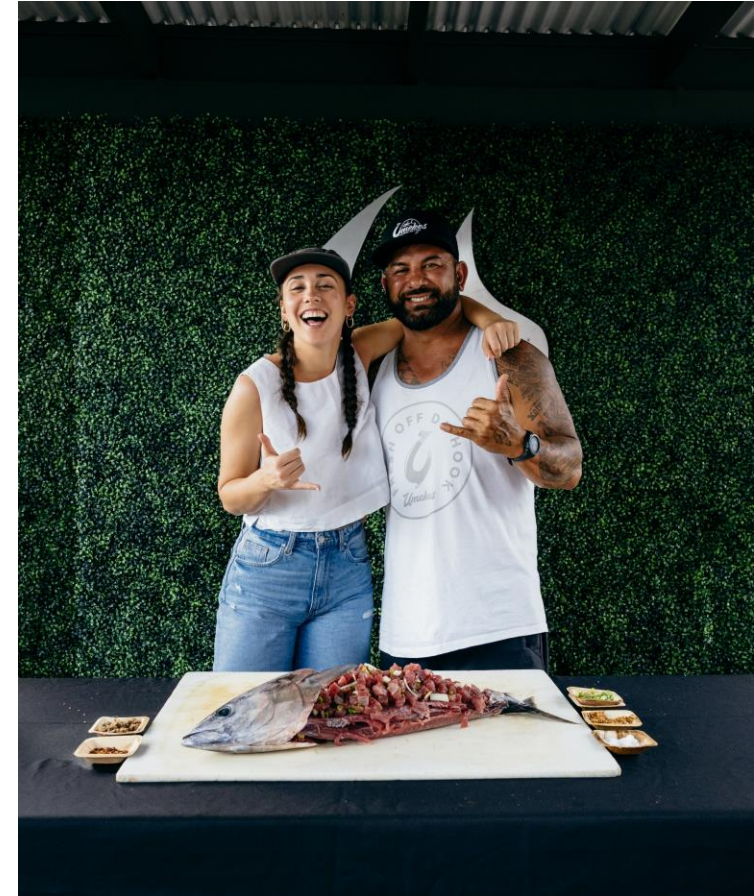
KEY CAMPAIGNS/PROGRAMS

Connections campaign

Hawaii stands out against other destinations because the heritage, culture and spirit of aloha epitomize what it means to live harmoniously with the land. To communicate this philosophy, we will work on a series of short videos that specifically highlight the people of Hawai'i, their connection to the land, ocean and mountains and how the visitor can experience and be a part of this special bond.

We will use talent from Australia and New Zealand who will play the part of 'the visitor'. They will be shown taking part in tourism experiences that have cultural significance, giving us the opportunity to delve deeper into Hawaiian culture and the opportunity to communicate many of the DMAP action points.

The videos will be housed on a micro site which will also have written articles, suggested itineraries and destination information. All Hawaiian Islands will be a part of this project and there will be a special focus on responsible tourism.



KEY CAMPAIGNS/PROGRAMS

Aloha Down Under

Multi-city roadshow incorporating product and destination training. While aiming at product/ conversion, it will overlay key brand messaging and incorporate cultural practitioners and entertainment.

Objectives

Increase brand awareness with travel trade

- Ensure travel agents have the most up to date information to advise tier clients
- Assist Hawai'i trade partners in building relationships with Australian and New Zealand travel agents and key trade partners



KEY CAMPAIGNS/PROGRAMS

Month of Lei

We'll use Lei Day and the Month of Lei as an opportunity to bring each distinct island personality to life. We will do this through a series of trade training events with the Island Chapters in Sydney, Brisbane, Melbourne and Auckland. We will also launch an incentive famil campaign through trade media, giving five agents who book multi-island itineraries the chance to win a famil to Hawai'i.

Month of Lei will also incorporate consumer elements, including social media content and an Expedia co-op campaign.

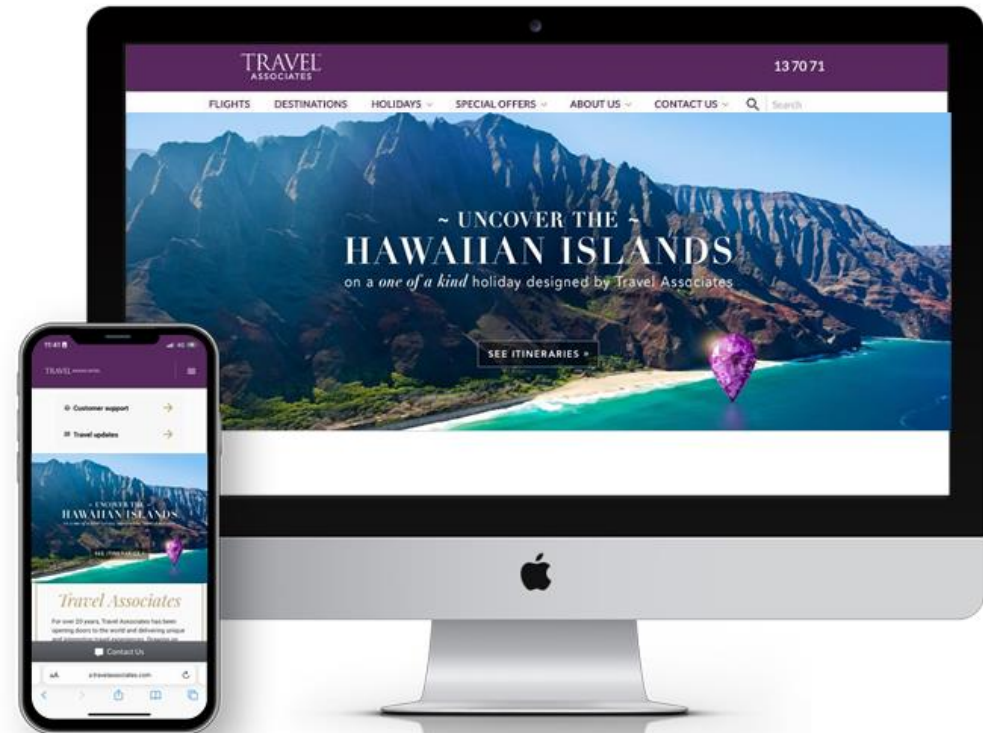


KEY CAMPAIGNS/PROGRAMS

Travel Associates

We will work with Travel Associates again this year on a series of activity including attending their product showcase event, a co-op campaign, famil and attendance at their new consumer event in Sydney.

Working with Travel Associates allows us to tap into the luxury market and we will work with them on a downloadable guide as part of the co-op campaign.



KEY CAMPAIGNS/PROGRAMS

Māori Television travel series launch

The 10 part series is entitled “Tapuwae-Footprints” and in summary:

- looks at the unique approach of indigenous tourism
- tells the stories of Māori and Hawaiian tourism operators and their kaupapa (ideology) that sets Aotearoa and Hawai’i apart from the rest of the world.
- 10 Hawaiian indigenous tourism operators/experiences are being showcased



HAWAII TOURISM
OCEANIA

KEY CAMPAIGNS/PROGRAMS

Agri-tourism trade project

This year, in line with the DMAP action points and our key themes of connection, culture and culinary we will work of the development of agritourism. The objective of this will be to introduce the Hawaiian Islands as an agritourism destination and to identify and work with specialist tour operators to develop agritourism product for sale in market.

Made in Hawai'i project

This project focusses on promoting Hawai'i made products in Australia and New Zealand. Working alongside the US Consulate and the Hawaiian Department for Agriculture and trade, the objective is to have a selection of Hawai'i made products on sale in Oceania.



Q1 ACTIVITIES

- Newcastle Travel Expo
- Flight Centre co-op
- We Are Explorers campaign
- MyHawaii co-op
- Travel Associates showcase
- Ohana updates AU&NZ
- Visit USA roadshow
- Brand USA B2B
- Ocean Film Festival sponsorship
- TODAY show
- IMM
- Consumer campaign “connections”
- ADU venues and collateral
- Māori TV project

PARTNERSHIP OPPORTUNITIES

hawaiitourismauthority.org/what-we-do/partnership-opportunities/



PARTNERSHIP OPPORTUNITIES

Media Market Place	Feb 2023	HTO's annual media market place is now established as the industry's leading event for the media to meet travel and tourism brands. Exhibitors each enjoy a dedicated branded table where they can meet top travel journalists, editors, and broadcasters to discuss their news, events, and developments.	TBC	Partners' travel agencies/information for travel journalists and media. HTO contact: Anna Riedel ariedel@hawaiiitourism.com.au
Aloha Down Under	4-11 Sep 2023	HTO's annual roadshow visiting Australia and New Zealand incorporating agent workshops, a joint B2B trade and media event and networking opportunities. Limited spaces are available. For more information visit www.alohadownunder.com.au . EOI will be sent out to partners in February 2023.	Auckland, Christchurch, Melbourne, Brisbane and Sydney	Participation Fee - approx. AU\$5500 + GST & travel costs For more information contact: kphadung@hawaiiitourism.com.au jgaskin@hawaiiitourism.com.au dwalsh@hawaiiitourism.co.nz
Sea Cleaners	TBC Sep 2023	In commemorating International Coastal Cleanup Day, HTO will partner with Sea Cleaners, a non-profit organization, Hawaiian Airlines, Visitors Bureaus and Sustainable Coastlines Hawai'i to raise the awareness about the impact of plastics in the ocean and to engage with local community in various voluntourism on the Hawaiian Islands.	TBC	In-kind support for accommodation and ground activities. HTO contact: dwalsh@hawaiiitourism.co.nz

Agri Tourism Famil	TBC April 2023	This will be an opportunity to showcase Agri-tourism in Hawai'i with the objective of developing products for new trade partners.	Multi-Islands	In-kind support as accommodation, transportations, activities, and meals HTO contact: jgaskin@hawaiiitourism.com.au
Trade Travel Agents Famil	TBC 2023	Trade agents famil will be created in conjunction with HTO Month of Lei campaign to promote Hawaiian Islands & Mālama Hawai'i Program among AU & NZ agents. Our main objective is to highlight Mālama Hawai'i Program, historical and educational activities for the agents that are well versed on Hawaii products and activities. HTO will also take this opportunity to showcase newly renovated properties and new experiences across the Hawaiian Islands.	Multi-Islands	In-kind support for accommodation, and ground activities. HTO contact: kphadung@hawaiiitourism.com.au
Media Famil	Q3 2023	HTO will work with Australian/NZ travel media to support a range of travel journalists throughout the year and partners will have the opportunity to get involved.	Multi-Islands	In-kind support as accommodations, transportations, activities, and meals HTO contact: ariedel@hawaiiitourism.com.au
Industry discounts for travel agents	Year round	HTO receives numerous inquiries regarding industry discounts for travel agents' personal holidays to Hawai'i. This is a great self-famil opportunity for you to showcase your product and service to Australian and New Zealand travel agents or wholesale reservations staff. Please note, HTO will make mention that proof of ID (letter of employment on company stationery) and/or IATA number is required for all reservation requests. It will be clearly outlined that these rates are subject to availability and blackout dates, however we ask that you also outline your own terms and conditions.	All islands	If you have a year-round industry discount for Hawaii selling agents available for 2023, or if you have a dedicated person that can handle industry requests, please let us know the details by Jan 31, 2023, by filling in the attached Travel Trade Discounts form: HTO will compile these and promote these year-round industry discounts via our database and during our agent training. HTO contact: kphadung@hawaiiitourism.com.au

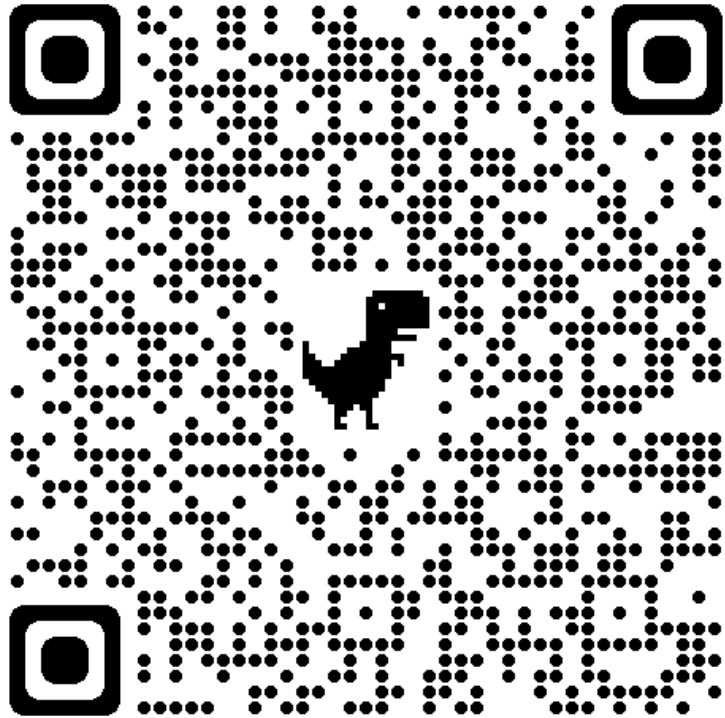
PARTNERSHIP OPPORTUNITIES

Month of Lei Destination Training	From May & Year & Round TBC	Part of the Month of May – Month of Lei showcase which encompasses consumer and trade. HTO and IC's will partner in in-depth destination training to travel agents. As well as additional PR opportunities.	Sydney, Melbourne, & Auckland	IC specific, although industry may want to contribute prizes HTO contact: dwalshe@hawaiiitourism.co.nz
Travel & Consumer professionals e-newsletter	Quarterly	Communicate to HTO's Australian and New Zealand travel trade database (3,280+). Monthly – Deadline by 12 of each month.	Online	Free opportunity. If you would like to be featured, please send a paragraph of a copy (max 50 words), image and web link to Mel. HTO contact: mlambert@hawaiiitourism.com.au
Travel Agent Training Program/Webinars	Year-round	HTO undertakes regular training sessions with travel agents across Australia and New Zealand.	Australia & New Zealand	Please send through industry updates – eg new/changed product; general island updates. HTO contact: kphadung@hawaiiitourism.com.au
Aloha Fridays Trade feature: Travel Weekly, KarryOn & Travel Today	Year round	HTO in conjunction with Hawaiian Airlines sponsor a Hawaii section in popular travel trade website/publications Travel Weekly (AU) & Travel Today (NZ). The features bring destination and trade news to over 15,000 travel industry subscribers. Partners will have the opportunity to submit updates and news.	Australia & New Zealand	Free Opportunity. If you would like to be featured, please send Info and images to jgaskin@hawaiiitourism.com.au or dwalshe@hawaiiitourism.co.nz Link to Aloha Friday Pages: http://www.travelweekly.com.au/tag/aloha-down-under/ http://www.travfiles.co.nz/region/hawaii/
Hawaii Tourism LinkedIn	Year round	HTO will develop a LinkedIn profile to provide updates and destination information to the travel industry. We're looking to you for news, events and updates we can communicate to our trade partners.	Australia & New Zealand	Free Opportunity. If you would like to be featured. HTO contact: jgaskin@hawaiiitourism.com.au

Visiting media program	Year round	Throughout the year, HTO hosts a <u>number of</u> media, including group and individual press trips, influencers and major TV filming opportunities. HTO also provides limited support to media and influencers not deemed "Tier One".	All islands	In-kind support. HTO is also looking for year-round media rates and inclusions to offer non-supported media. For further information contact
Media releases	Year round	HTO sends out multiple press releases and media updates and undertakes media calls throughout the year. Partners have <u>the opportunity</u> to provide their own press releases and product updates for inclusion	n/a	No cost. Please send your press releases and updates to <u>HTO</u> contact: Ariedel@hawaiiitourism.com.au dwalshe@hawaiiitourism.co.nz
HTO Blog and social networks	Year round	HTO reach out to past, present and potential Australian and New Zealand visitors to <u>Hawai'i</u> through our Facebook, Twitter and Instagram handles. Australia www.facebook.com/gohawaii www.twitter.com/gohawaii www.instagram.com/gohawaii New Zealand www.facebook.com/goHawaiiNZ www.instagram.com/goHawaiiNZ	n/a	Notify HTO of your own official accounts, follow us and engage online by using our social media handles. HTO contact: mlambert@hawaiiitourism.com.au

OCEANIA FACT SHEET

hawaiitourismauthority.org/research/monthly-visitor-statistics/



MAHALO!



10e

Hawaii Tourism Destination Brand Management &
Marketing Services for the United States Market RFP

RFP 23-03 Hawai'i Tourism Destination Brand Management & Marketing Services for the United States Market





HTA is committed to a solicitation process that is comprehensive, fair and impartial.

Visit HTA's RFP webpage at

Hawai'i State eProcurement System (HiePRO) at
<https://hiepro.ehawaii.gov/welcome.html>

or

<https://www.hawaiitourismauthority.org/rfps>

Electronic Submissions to HiePRO Only

- The State will use HiePRO to issue the RFP, answer RFP questions, receive all offers, and issue any addenda to the RFP.
- Offers must be registered on HiePRO.
- Questions relating to this RFP, issues relating to the accessibility of this RFP, and requests for accommodations for persons with disabilities in connection with this RFP shall be communicated through HiePRO.
- As part of this procurement process, Offerors are informed that awards made for this solicitation, if any, shall be done through the HiePRO and shall therefore be subject to a mandatory .75% (.0075) transaction fee, not to exceed \$5,000 for the total contract term. The mandatory transaction fee shall be at the contractor's sole cost and expense.

Important Dates

RFP 23-03 - Hawai'i Tourism Destination Brand Management & Marketing Services for the US Market	
ACTIVITIES	SCHEDULED DATE
Release of Request for Proposals	February 13, 2023
Pre-Proposal Conference	February 21, 2023, 8:00 a.m. - 9:30 a.m. HST
Deadline to Submit Written Questions (must be submitted in HlePRO)	February 24, 2023, 4:30 p.m. HST
State's Response to Written Questions (will be posted in HlePRO)	February 27, 2023
Deadline to Submit Notice of Intent to Offer	March 1, 2023, 4:30 p.m. HST
Proposal Due Date/Time, Evaluation Period Begins	March 30, 2023, 2:00 p.m. HST
Priority Listed Offeror Selection & Notification	Week of April 10, 2023
Oral Presentations with Priority Listed Offerors	April 17, 2023
Best and Final Offer Deadline (if necessary)	Week of April 24, 2023
Notice of Award	May 3, 2023
Start of Contract Performance	June 1, 2023
End of Initial Contract Term	December 31, 2025

DEADLINE FOR RECEIPT OF PROPOSALS

**March 30, 2023
2:00 p.m. HST**

Mahalo!

11

Presentation, Discussion and Action on the
Hawaii Tourism Authority's
Fiscal Year 2022 Financial Audit and
Federal Funds Single Audit

11.1

Accuity

Hawaii Tourism Authority
June 30, 2022 Audit Results



ACCUITY

**Hawaii
Tourism
Authority**

State of Hawaii

**June 30, 2022 Audit Results
Presentation to the Board**

February 23, 2023

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Scope of Services

- Provide an opinion on the fair presentation of the Hawaii Tourism Authority's ("Authority") financial statements.
- Consider the Authority's internal control over financial reporting in relation to our audit of the financial statements.
- Perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements in relation to the financial statements.
- Provide an opinion on the Authority's compliance with requirements related to major federal programs in accordance with the Office of Management and Budget's ("OMB") Compliance Supplement and consider internal control over compliance.

Financial Statement Highlights – Statement of Net Position

	6/30/2022	6/30/2021	Variance	
Equity in cash and cash equivalents and investments in State Treasury	\$ 116,706,765	\$ 104,589,885	\$ 12,116,880	Increase is primarily due to timing of payments.
Accounts receivable	1,759,143	683,423	1,075,720	Increase is primarily due to an increase of amounts due from Budget and Finance for interest income.
Prepaid expenses	2,756,603	201,516	2,555,087	Increase is primarily due to an increase in new prepaid contracts or policies in the current year.
Investments	3,484,905	-	3,484,905	Increase is due to shift in the Emergency Fund portfolio allocation in FY22 from cash equivalents to US Treasury investments.
Capital assets, net	188,046,957	192,928,930	(4,881,973)	Decrease is primarily due to the current year depreciation expense offset by current year additions.
Other assets	27,320,804	20,574,132	6,746,672	Amount represents funds held by ASM and DAGS for emergency capital improvements, repairs or maintenance purchases and funds earmarked for various capital improvement projects for the Hawaii Convention Center.
Deferred outflows on net pension liability	590,338	973,112	(382,774)	No material change.
Deferred outflows on net other postemployment benefits liability	211,632	365,619	(153,987)	No material change.

Financial Statement Highlights – Statement of Net Position (continued)

	6/30/2022	6/30/2021	Variance	
Vouchers payable	\$ 15,068,335	\$ 134,582	\$ 14,933,753	Increase is primarily due to timing of payments.
Accrued payroll	116,665	145,282	(28,617)	No material change.
Accrued vacation	412,857	561,372	(148,515)	No material change.
Unearned revenue	52,375,375	-	52,375,375	Amount represents federal revenue received that exceeds funds spent and are reflected as a liability.
Net other postemployment benefits liability	4,989,411	5,233,608	(244,197)	Total OPEB liability and total pension liability for the State are determined by actuarial valuations. The State allocates to the Authority their proportionate share of the respective liabilities and deferred inflows.
Net pension liability	5,733,232	6,933,564	(1,200,332)	
Deferred inflows on net pension liability	971,593	53,851	917,742	
Deferred inflows on net other postemployment benefits liability	503,427	467,020	36,407	
Net investment in capital assets	188,046,957	192,928,930	(4,881,973)	Decrease primarily due to current year depreciation.
Restricted net position	72,659,295	113,858,408	(41,199,113)	Decrease is due to current year activity (see statement of activities).

Financial Statement Highlights – Statement of Activities

	6/30/2022	6/30/2021	Variance	
Contract expenses	\$ 70,230,275	\$ 36,370,569	\$ 33,859,706	Increase primarily due to an increased FY22 budget and available encumbrances and funding provided to ASM for current and future repairs and maintenance and capital improvements for the Convention Center.
Depreciation expense	8,637,573	7,944,335	693,238	Increase is primarily due to current year capital asset additions.
Payroll expenses	2,184,317	2,974,212	(789,895)	Decrease is primarily due to several positions being transferred to DBEDT.
Pension expenses	488,485	846,483	(357,998)	No material change.
Administrative and general expenses	162,842	222,223	(59,381)	No material change.
Postemployment expenses	115,460	493,015	(377,555)	No material change.
Other expenses	709,737	393,967	315,770	No material change.

Financial Statement Highlights – Statement of Activities (continued)

	6/30/2022	6/30/2021	Variance	
Charge for services revenue	\$ 5,340,703	\$ 5,839,120	\$ (498,417)	No material change.
Federal grant revenue	18,628,585	-	18,628,585	Increase due to funds from the American Rescue Plan Act appropriated to the Authority in 2022. Federal grant revenues are recognized when corresponding allowable expenses are incurred.
Transient accommodations tax	11,000,000	38,004,557	(27,004,557)	Decrease due to decreased distributions of TAT revenues to the Authority in 2022.
Interest and investment income	1,094,533	609,848	484,685	Increase due to an increase in interest rates.
Net increase (decrease) in fair value of investments	(5,511)	(13,660)	8,149	No material change.
Other revenue	389,293	1,654,809	(1,265,516)	Decrease primarily due to less refunds from vendors for unused funds in the current year.

Required Communications

Matter to be communicated	Our response
<p>Auditors' responsibility under Generally Accepted Auditing Standards. The auditors' level of responsibility assumed for internal controls, whether the financial statements are free of material misstatement, and the detection of fraud should be communicated.</p>	<p>Our primary responsibility as the Authority's independent auditors is to evaluate and report on the fairness of the Authority's financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Based upon the results of our audit, which was performed in accordance with U.S. generally accepted auditing standards and <i>Government Auditing Standards</i>, we issued an unmodified opinion on the Authority's financial statements.</p>
<p>Overview of the planned scope of the audit. The overview of the planned scope and timing of the audit should be communicated to those charged with governance.</p>	<p>This was communicated in our engagement letter dated May 16, 2022 and Contract No. 70068 dated March 24, 2022.</p>
<p>Significant risks of material misstatement as part of our audit planning.</p>	<p>We identified the following significant risks of material misstatement during the planning phase of our audit:</p> <ul style="list-style-type: none">• Improper revenue recognition due to fraud.• Management override of controls.• Effect of the COVID-19 pandemic on the Authority's operations and financial condition.• Proper implementation of GASB Statement No. 87, <i>Leases</i>, including disclosure. <p>There were no additional, or changes to, significant risks identified during the audit.</p>

Required Communications

Matter to be communicated	Our response
<p>Significant accounting policies, including critical accounting policies, and the auditors' judgment about the quality of accounting principles. The entity's initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus should be communicated to those charged with governance.</p>	<p>The significant accounting policies used by the Authority are disclosed in Note 1 to the financial statements.</p> <p>GASB Statement No. 87, <i>Leases</i>, was adopted effective July 1, 2021. The adoption of this statement did not have a material impact to the Authority's financial statements.</p>
<p>Management judgments and accounting estimates. Those charged with governance should be informed about the process used by management in formulating sensitive accounting estimates and about the auditors' conclusions regarding the reasonableness of those estimates.</p>	<p>The more difficult and subjective judgments and estimates were:</p> <ul style="list-style-type: none">• Depreciation and useful lives of capital assets.• Accrued vacation liability.• Calculation of net pension and net other postemployment benefits liabilities. <p>Management's estimates were evaluated and appeared to be reasonable.</p>
<p>Significant unusual transactions. Those charged with governance should be informed about the auditors' view on the policies and practices that management used to account for significant unusual transactions and the auditors' understanding of the business purpose for the significant unusual transactions.</p>	<p>No significant unusual transactions were noted during our audit.</p>

Required Communications

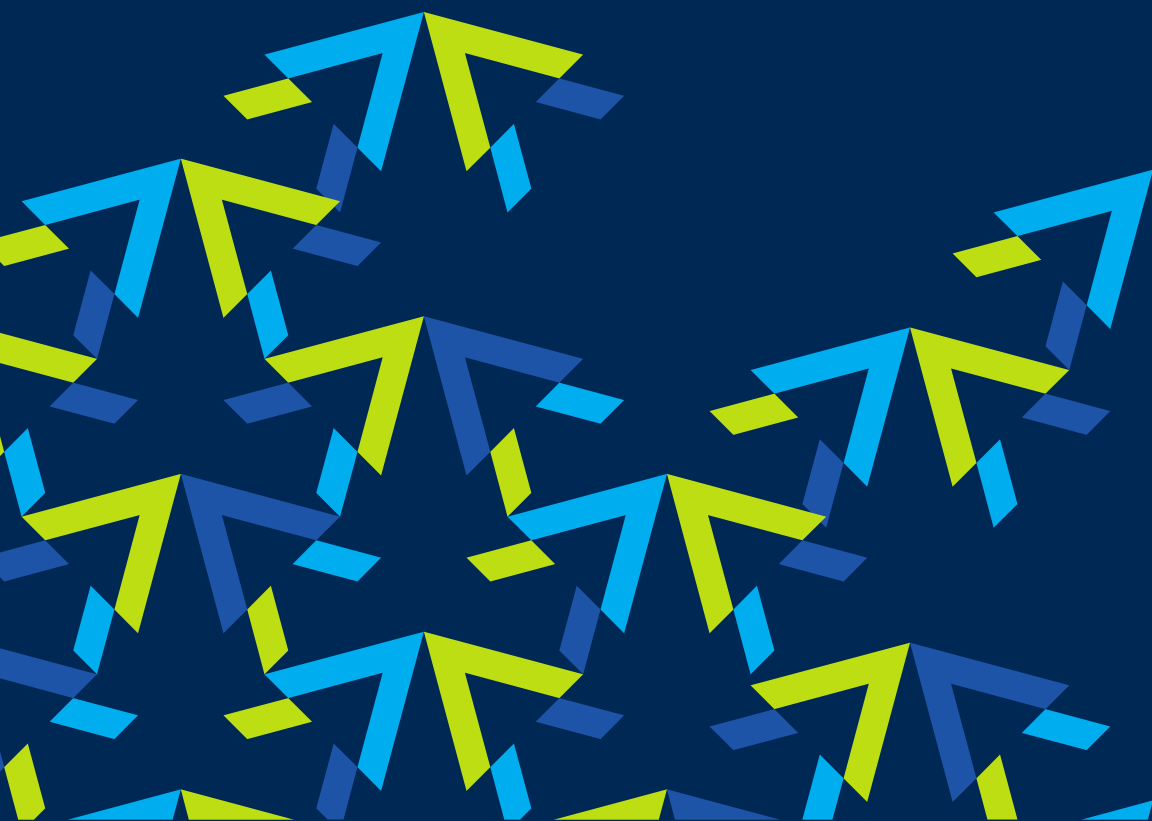
Matter to be communicated	Our response
<p>Audit adjustments. All significant financial statement adjustments arising from the audit or proposed during the audit and any uncorrected misstatements that were determined to be immaterial by management individually and in the aggregate should be communicated to those charged with governance.</p>	<p>Summaries of the adjusting and reclassifying journal entries arising from our audit will be attached to the management representation letter.</p> <p>There were no uncorrected misstatements above our de minimis noted.</p>
<p>Matters that are difficult or contentious for which the auditors consulted outside the engagement team and that are, in the auditors' professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process.</p>	<p>No such matters noted during our audit.</p>
<p>Material uncertainties related to events and conditions, specifically going concern issues. Any doubt regarding the Authority's ability to continue as a going concern and any other material uncertainties should be communicated.</p>	<p>No issues related to the Authority's ability to continue as a going concern or other material uncertainties were noted.</p>

Required Communications

Matter to be communicated	Our response
Other information in documents containing audited financial statements. Those charged with governance should be informed of the auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.	The Authority's audited financial statements will be included in the online submission of the single audit with the Federal Audit Clearinghouse.
Disagreements with management. Disagreements with management, whether or not satisfactorily resolved, about matters that could be significant to the Authority's financial statements or the auditors' report should be communicated.	There were no disagreements with management.
Consultation with other accountants. When the auditors are aware that management has consulted with other accountants about significant accounting or auditing matters, the auditors' view about the consultation subject should be communicated to those charged with governance.	We know of no such consultations made by management.
Major issues discussed with management prior to retention. Any major accounting, auditing or reporting issues that were discussed with management in connection with our retention.	There were no major issues discussed with management prior to our retention.
Difficulties encountered in performing the audit. Serious difficulties encountered in dealing with management that related to the performance of the audit are required to be brought to the attention of those charged with governance.	There were none.

Required Communications

Matter to be communicated	Our response
Internal control deficiencies. Those charged with governance should be informed of any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.	There were no material weaknesses or significant deficiencies reported.
Fraud or illegal acts. Fraud or illegal acts involving senior management or those responsible for internal controls or causing a material misstatement of the financial statements where the auditors determine there is evidence that such fraud may exist should be communicated. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.	We are not aware of any fraud or illegal acts.
Independence. The auditors should communicate all relationships between the Firm and the Authority that, in our professional judgment, may reasonably be thought to bear on our independence.	We confirm that, in our professional judgment, we are independent accountants within the meaning of the Code of Professional Conduct of the American Institute of Certified Public Accountants and <i>Government Auditing Standards</i> .
Representations requested from management. Those charged with governance should be informed of the representations that the auditors are requesting from management.	Management representation letter is available upon request.



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11.2

Accuity

Financial and Compliance Audit
June 30, 2022



Hawaii Tourism Authority

(A Component Unit of the State of Hawaii)

Financial and Compliance Audit

June 30, 2022

DRAFT



Submitted by
The Auditor
State of Hawaii

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
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June 30, 2022

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DRAFT



Report of Independent Auditors

The Auditor
State of Hawaii

The Board of Directors
Hawaii Tourism Authority

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hawaii Tourism Authority (the "Authority"), a component unit of the State of Hawaii, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the index.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of the State of Hawaii that is attributable to the transactions of the Authority. They do not purport to, and do not present fairly the financial position of the State of Hawaii as of June 30, 2022, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 opinions. 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 and *Government 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority'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 financial statements.

- 
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and budgetary comparison schedules for the Tourism Special Fund and Convention Center Special Fund on page 41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. As described in Note 2 to the schedule of expenditures of federal awards, the accompanying schedule of expenditures of federal awards was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February █, 2023, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

Honolulu, Hawaii
February █, 2023

DRAFT

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management’s Discussion and Analysis (Unaudited)
June 30, 2022

The Hawaii Tourism Authority (the “Authority”) was established on January 1, 1999 by Act 156, Session Laws of Hawaii 1998. The Authority is responsible for developing and implementing a strategic tourism marketing plan to enhance and promote the Hawaii brand. As management of the Authority, we offer readers of these basic financial statements, this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2022. This discussion and analysis is designed to assist the reader in focusing on the Authority’s significant financial matters and activities and to identify any significant changes in the Authority’s financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements as a whole.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The Authority’s basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority’s finances. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, accounted for with an economic resources measurement focus using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the fiscal year’s revenues and expenses are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods. Government-wide financial statements are comprised of the following:

- The *Statement of Net Position*, which presents all of the Authority’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The *Statement of Activities*, which presents information showing the Authority’s revenues and expenses for the fiscal year. Functional activities are highlighted in this statement, whereby direct and indirect functional costs are shown, net of related program revenue. This statement shows the extent to which the various functions depend on taxes and nonprogram revenues for support.

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Fund Financial Statements

A fund is a grouping of related accounts, which is used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities of the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation on pages 14 and 16, respectively, to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains three governmental funds (Tourism Special Fund, Convention Center Special Fund, and Tourism Emergency Special Fund). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of these funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management’s Discussion and Analysis (Unaudited)
June 30, 2022

Condensed Financial Information

The following are summaries from the Authority’s government-wide financial statements as of and for the years ended June 30, 2022 and 2021:

Condensed Statements of Net Position
As of June 30, 2022 and 2021

	2022	2021
Assets		
Current assets	\$ 122,221,000	\$ 105,475,000
Capital assets, net	188,047,000	192,929,000
Investments – noncurrent	2,486,000	-
Other noncurrent assets	27,321,000	20,574,000
Total assets	<u>\$ 340,075,000</u>	<u>\$ 318,978,000</u>
Deferred outflows of resources		
Deferred outflows on net pension liability	\$ 590,000	\$ 973,000
Deferred outflows on net other postemployment benefits liability	212,000	366,000
Total deferred outflows of resources	<u>\$ 802,000</u>	<u>\$ 1,339,000</u>
Liabilities		
Current liabilities	\$ 67,689,000	\$ 438,000
Noncurrent liabilities	11,007,000	12,571,000
Total liabilities	<u>\$ 78,696,000</u>	<u>\$ 13,009,000</u>
Deferred inflows of resources		
Deferred inflows on net pension liability	\$ 972,000	\$ 54,000
Deferred inflows on net other postemployment benefits liability	503,000	467,000
Total deferred inflows of resources	<u>\$ 1,475,000</u>	<u>\$ 521,000</u>
Net position		
Net investment in capital assets	\$ 188,047,000	\$ 192,929,000
Restricted	72,659,000	113,858,000
Total net position	<u>\$ 260,706,000</u>	<u>\$ 306,787,000</u>

A reconciliation on page 14 facilitates the comparison between governmental funds and governmental activities.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management’s Discussion and Analysis (Unaudited)
June 30, 2022

Condensed Statements of Activities
For the Years Ended June 30, 2022 and 2021

	2022	2021
Revenues		
Program revenues		
Charges for services	\$ 5,341,000	\$ 5,839,000
Federal grants	18,629,000	-
General revenues		
Transient accommodations taxes	11,000,000	38,005,000
Other	1,478,000	2,250,000
Total revenues	<u>36,448,000</u>	<u>46,094,000</u>
Expenses		
Hawaii Convention Center management		
Contract	20,996,000	7,945,000
Depreciation	8,638,000	7,944,000
Payroll	253,000	321,000
Pension	53,000	96,000
Postemployment	13,000	56,000
Other	464,000	210,000
Total Hawaii Convention Center management expenses	<u>30,417,000</u>	<u>16,572,000</u>
Tourism and marketing		
Contract	49,234,000	28,425,000
Payroll	1,932,000	2,654,000
Pension	435,000	751,000
Administrative and general	163,000	222,000
Postemployment	103,000	437,000
Other	245,000	184,000
Total tourism and marketing expenses	<u>52,112,000</u>	<u>32,673,000</u>
Total expenses	<u>82,529,000</u>	<u>49,245,000</u>
Change in net position	(46,081,000)	(3,151,000)
Net position		
Beginning of year	<u>306,787,000</u>	<u>309,938,000</u>
End of year	<u>\$ 260,706,000</u>	<u>\$ 306,787,000</u>

A reconciliation on page 16 facilitates the comparison between governmental funds and governmental activities.

The effects of the COVID-19 pandemic have been substantial globally. Its impacts have been particularly extensive for our local economy, with tourism being one of Hawaii’s largest industries and a vital economic driver. Effective May 2020, the Authority’s allocation of transient accommodations tax (“TAT”), its primary source of revenue, was suspended. In June 2021, TAT funding was temporarily restored, representing the entire amount of TAT received by the Authority in fiscal year 2021. Due to

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management's Discussion and Analysis (Unaudited)
June 30, 2022

this timing, the allocation of TAT revenues helped in funding the Authority's fiscal year 2022 operations. In anticipation of the decrease in fiscal year 2021 TAT revenue, toward the start of the pandemic in fiscal year 2020, the Authority reassessed all of its contracts to identify programs that could not be completed or should be reduced. These measures helped to bolster the Authority's operating reserve, which operationally included funds set aside for pension and postemployment liabilities. The Authority released its operating reserve to fund operations in fiscal years 2021 and 2022. In fiscal year 2022, the Authority also received Federal American Rescue Plan Act ("ARPA") funds to support its fiscal years 2022 and 2023 operations.

Financial Analysis

Current Assets increased by approximately \$16,746,000, or 15.9%, primarily due to increases in cash and cash equivalents and prepaid expenses of approximately \$12,117,000 and \$2,555,000, respectively.

Capital Assets decreased by approximately \$4,882,000, or 2.5%, primarily due to the recording of current year depreciation expense of approximately \$8,638,000, partially offset by capital asset additions. A substantial portion of the Authority's capital asset additions pertains to renovations and improvements to the Center. See Note 3 to the financial statements.

Investments increased by approximately \$3,485,000, or 100%, due to a shift in Emergency Fund portfolio allocation from cash equivalents to U.S Treasury positions in fiscal year 2022 commensurate with the rising interest rate environment.

Other Noncurrent Assets increased by approximately \$6,747,000, or 32.8%. This represents funds held by ASM Global and the Department of Accounting and General Services for emergency capital improvements, repair or maintenance purchases, and funds earmarked for various capital improvement projects for the Center.

Current Liabilities increased by approximately \$67,251,000, or 15,354.1%, primarily due to increases in unearned revenue and vouchers payable of approximately \$52,375,000 and \$14,933,000, respectively. Unearned revenue represents the portion of Federal funds received in the current fiscal year that has not been spent yet for allowable purposes as of fiscal year end.

Noncurrent Liabilities decreased by approximately \$1,564,000, or 12.4%, primarily due to a decrease in net pension liability of approximately of \$1,201,000.

Net Position changed from a net position of approximately \$306,787,000 at June 30, 2021 to a net position of approximately \$260,706,000 at June 30, 2022 due to operating results of the Authority.

Effective July 1, 2002, the Convention Center Fund was established by Act 253, Session Laws of Hawaii 2002 ("Act 253"). In accordance with Act 253, the Convention Center Fund was placed within the Authority and was created to receive all revenues generated from the Center's operations and an allocated portion of the revenues received from the State of Hawaii's ("State") TAT.

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June 30, 2022

Expenses increased by approximately \$33,284,000, or 67.6%, primarily due to an increase in contract expenses in the current year as compared to the prior year. In the prior year, the Authority paused typical marketing efforts in favor of sustaining a base level of brand awareness in our core markets, while awaiting the right time to begin messaging in light of the pandemic. In fiscal year 2022, the activity of contract expenditures increased with a larger fiscal year 2022 budget and available encumbrances as compared to those available at the start of the pandemic heading into fiscal year 2021. Convention Center expenditures increased due to payments made to fund the Convention Center 6-year repair and maintenance program.

Revenues decreased by approximately \$9,646,000, or 20.9%, primarily due to discontinuation of the TAT revenue allocation to the Tourism Fund and the reduction of the TAT revenue allocation to the Convention Center Fund, partially offset by an increase in Federal grant revenue. Federal grant revenues are recognized when corresponding expenses are incurred.

Financial Analysis of the Authority's Individual Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements.

As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of approximately \$57,147,000, a decrease of approximately \$48,048,000 in comparison with the prior fiscal year-end. The Authority's entire fund balance is committed to indicate that it can only be used for specific purposes pursuant to formal action of the Authority's board of directors.

The Tourism Special Fund is used to account for functions related to the development and promotion of Hawaii's brand as a visitor destination. At the end of the current fiscal year, committed fund balance of the Tourism Special Fund was approximately \$29,301,000, a decrease of 53.5% from the prior fiscal year-end. As a measure of the Tourism Special Fund's liquidity, it may be useful to compare the committed fund balance to total fund expenditures. Committed fund balance represents 56.1% of total Tourism Special Fund expenditures, a decrease of 140.6% from the prior fiscal year.

The Convention Center Special Fund was established by Act 253 to receive all revenues generated from the operation of the Center and an allocated portion of the revenues received from the State's TAT. Funds collected by the Convention Center Special Fund are used to pay all expenses arising from the use and operation of the Center. In accordance with Act 253, the operations of the Convention Center Special Fund are included in the Authority's financial statements. At the end of the current fiscal year, the Convention Center Special Fund had a committed fund balance of approximately \$22,826,000.

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June 30, 2022

The Tourism Emergency Special Fund was established by Hawaii Revised Statutes Section 201B-10. Monies in the Tourism Emergency Special Fund shall be used exclusively to provide for the development and implementation of emergency measures to respond to any tourism emergency including providing emergency assistance to tourists during the tourism emergency. At the end of the current fiscal year, the Tourism Emergency Special Fund had a committed fund balance of approximately \$5,020,000.

Capital Assets

As of June 30, 2022, the Authority had approximately \$188,047,000 invested in capital assets as shown in the following table. There was a net decrease (additions, deductions and depreciation) of approximately \$4,882,000 from the end of the prior fiscal year.

	2022	2021
Capital assets		
Land	\$ 131,497,000	\$ 131,497,000
Buildings and improvements	229,403,000	227,861,000
Furniture, fixtures and equipment	10,638,000	7,728,000
Construction in progress	<u>1,767,000</u>	<u>3,060,000</u>
Total capital assets	373,305,000	370,146,000
Less: Accumulated depreciation and amortization	<u>(185,258,000)</u>	<u>(177,217,000)</u>
Total capital assets, net	<u>\$ 188,047,000</u>	<u>\$ 192,929,000</u>

Additional information regarding the Authority’s capital assets can be found in Note 3 to the financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Statement of Net Position – Governmental Activities
June 30, 2022

Current assets	
Equity in cash and cash equivalents and investments in State Treasury	\$ 116,706,765
Accounts receivable	1,759,143
Prepaid expenses	2,756,603
Investments	998,850
Total current assets	<u>122,221,361</u>
Noncurrent assets	
Investments	2,486,055
Capital assets	
Land	131,496,508
Construction in progress	1,767,025
Other capital assets, net	54,783,424
Capital assets, net of depreciation	<u>188,046,957</u>
Other noncurrent assets	27,320,804
Total noncurrent assets	<u>217,853,816</u>
Total assets	<u>340,075,177</u>
Deferred outflows of resources	
Deferred outflows on net pension liability	590,338
Deferred outflows on net other postemployment benefits liability	211,632
Total deferred outflows of resources	<u>801,970</u>
Total assets and deferred outflows of resources	<u>\$ 340,877,147</u>

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

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Statement of Net Position – Governmental Activities
June 30, 2022

Current liabilities	
Vouchers payable	\$ 15,068,335
Accrued payroll	116,665
Accrued vacation	128,641
Unearned revenue	52,375,375
Total current liabilities	<u>67,689,016</u>
Noncurrent liabilities	
Accrued vacation, net of current portion	284,216
Net other postemployment benefits liability	4,989,411
Net pension liability	5,733,232
Total noncurrent liabilities	<u>11,006,859</u>
Total liabilities	<u>78,695,875</u>
Deferred inflows of resources	
Deferred inflows on net pension liability	971,593
Deferred inflows on net other postemployment benefits liability	503,427
Total deferred inflows of resources	<u>1,475,020</u>
Total liabilities and deferred inflows of resources	<u>80,170,895</u>
Net position	
Net investment in capital assets	188,046,957
Restricted	72,659,295
Total net position	<u>260,706,252</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 340,877,147</u>

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

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Statement of Activities – Governmental Activities
Year Ended June 30, 2022

	Functional Programs		
	Hawaii Convention Center Management	Tourism and Marketing	Total
Expenses			
Contracts	\$ 20,996,050	\$ 49,234,225	\$ 70,230,275
Depreciation	8,637,573	-	8,637,573
Payroll	252,543	1,931,774	2,184,317
Pension	53,266	435,219	488,485
Administrative and general	-	162,842	162,842
Postemployment	12,590	102,870	115,460
Other	464,845	244,892	709,737
Total expenses	<u>\$ 30,416,867</u>	<u>\$ 52,111,822</u>	<u>82,528,689</u>
Program revenues			
Charge for services			5,340,703
Federal grants			18,628,585
Total program revenues			<u>23,969,288</u>
Net expenses			<u>58,559,401</u>
General revenues			
Transient accommodations tax			11,000,000
Interest and investment income			1,094,533
Net decrease in fair value of investments			(5,511)
Other			389,293
Total general revenues			<u>12,478,315</u>
Change in net position			<u>(46,081,086)</u>
Net position			
Beginning of year			306,787,338
End of year			<u>\$ 260,706,252</u>

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

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Balance Sheet – Governmental Funds
June 30, 2022

	Tourism Special Fund	Convention Center Special Fund	Tourism Emergency Special Fund	Total Governmental Funds
Assets				
Equity in cash and cash equivalents and investments in State Treasury	\$ 70,925,251	\$ 44,269,312	\$ 1,512,202	\$ 116,706,765
Investments	-	-	3,484,905	3,484,905
Due from State Department of Budget and Finance	710,953	541,779	-	1,252,732
Other assets	2,756,603	483,983	22,428	3,263,014
Total assets	<u>\$ 74,392,807</u>	<u>\$ 45,295,074</u>	<u>\$ 5,019,535</u>	<u>\$ 124,707,416</u>
Liabilities and Fund Balances				
Liabilities				
Vouchers and contracts payable	\$ 2,848,171	\$ 12,220,164	\$ -	\$ 15,068,335
Unearned revenue	42,138,706	10,236,669	-	52,375,375
Other accrued liabilities	104,443	12,222	-	116,665
Total liabilities	<u>45,091,320</u>	<u>22,469,055</u>	<u>-</u>	<u>67,560,375</u>
Fund balances				
Committed	<u>29,301,487</u>	<u>22,826,019</u>	<u>5,019,535</u>	<u>57,147,041</u>
Total liabilities and fund balances	<u>\$ 74,392,807</u>	<u>\$ 45,295,074</u>	<u>\$ 5,019,535</u>	<u>\$ 124,707,416</u>

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

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

Total fund balance – governmental funds	\$ 57,147,041
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of	
Land	131,496,508
Construction in progress	1,767,025
Other	240,041,337
Accumulated depreciation and amortization	<u>(185,257,913)</u>
	188,046,957
Other assets are not available to pay or be used for current-period expenditures and are not recognized in governmental funds.	27,320,804
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of	
Accrued vacation payable	(412,857)
Net other postemployment benefits liability	(4,989,411)
Net pension liability	<u>(5,733,232)</u>
	(11,135,500)
Deferred outflows of resources are for future periods and are not reported in the funds. Those deferred outflows consist of	
Deferred outflows on net pension liability	590,338
Deferred outflows on net other postemployment benefits liability	<u>211,632</u>
	801,970
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of	
Deferred inflows on net pension liability	(971,593)
Deferred inflows on net other postemployment benefits liability	<u>(503,427)</u>
	(1,475,020)
Net position of governmental activities	<u>\$ 260,706,252</u>

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

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
Year Ended June 30, 2022

	Tourism Special Fund	Convention Center Special Fund	Tourism Emergency Special Fund	Total Governmental Funds
Revenues				
Transient accommodations tax	\$ -	\$ 11,000,000	\$ -	\$ 11,000,000
Hawaii Convention Center revenues	-	5,340,703	-	5,340,703
Interest and investment income	588,573	497,359	8,601	1,094,533
Federal grant revenue	17,865,254	763,331	-	18,628,585
Other	1,681	369,670	17,942	389,293
Total revenues	<u>18,455,508</u>	<u>17,971,063</u>	<u>26,543</u>	<u>36,453,114</u>
Expenditures				
Contract	49,234,225	31,495,714	-	80,729,939
Personnel	2,574,763	315,636	-	2,890,399
Administrative and general	150,323	-	12,519	162,842
Net decrease in the fair value of investments	-	-	(5,511)	(5,511)
Other	258,519	464,845	-	723,364
Total expenditures	<u>52,217,830</u>	<u>32,276,195</u>	<u>7,008</u>	<u>84,501,033</u>
Change in fund balances	<u>(33,762,322)</u>	<u>(14,305,132)</u>	<u>19,535</u>	<u>(48,047,919)</u>
Fund balances				
Beginning of year	<u>63,063,809</u>	<u>37,131,151</u>	<u>5,000,000</u>	<u>105,194,960</u>
End of year	<u>\$ 29,301,487</u>	<u>\$ 22,826,019</u>	<u>\$ 5,019,535</u>	<u>\$ 57,147,041</u>

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

Hawaii Tourism Authority

(A Component Unit of the State of Hawaii)

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Year Ended June 30, 2022

Total net change in fund balances – governmental funds	\$ (48,047,919)
Amounts reported for governmental activities in the statement of activities are different because	
Capital outlays are reported as expenditures in governmental funds; however, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are	
Capital asset additions	4,114,450
Capital asset deductions	(955,695)
Accumulated depreciation on disposals	596,845
Depreciation expense	<u>(8,637,573)</u>
Excess of capital outlay over depreciation expense	(4,881,973)
Other assets are not available to be used for current period expenditures and are not recognized in governmental funds.	6,746,672
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Change in accrued vacation payable	148,515
Net pension activity	(100,184)
Net other postemployment benefits activity	<u>53,803</u>
	<u>102,134</u>
Change in net position of governmental activities	<u>\$ (46,081,086)</u>

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

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1. Summary of Significant Accounting Policies

The Financial Reporting Entity

The Hawaii Tourism Authority (“Authority”) was established on January 1, 1999 by Act 156, Session Laws of Hawaii 1998, and 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 (the “Center”) 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, 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 Authority is governed by a board of directors comprising of 12 voting members, including those recommended by the State Legislature. The Governor of the State appoints the 12 voting members.

The accompanying basic financial statements of the Authority, a discretely presented component unit of the State of Hawaii (“State”), have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for governments as prescribed by the Governmental Accounting Standards Board (“GASB”).

Government-wide and Fund Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on the activities of the Authority. For the most part, the effect of interfund activity has been removed from these government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function. Resources that are dedicated internally are reported as general revenues rather than program revenues.

The Authority uses funds to report on its financial position and the results of its operations in its fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

Net position is restricted when determined by a formal action of the State Legislature.

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The financial activities of the Authority are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Authority uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds are those through which the governmental functions of the Authority are financed. The Authority's major funds are as follows:

- **Tourism Special Fund** –The Tourism Special Fund (“Tourism Fund”) is used to account for functions related to the development and promotion of the tourism industry.
- **Convention Center Special Fund** – The Convention Center Special Fund (“Convention Center Fund”) is used to account for functions related to the operation and management of the Center.
- **Tourism Emergency Special Fund** – The Tourism Emergency Special Fund (“Emergency Fund”) is used to account for functions related to the maintenance of a tourism emergency fund.

Basis of Accounting

The Governmental Funds financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Transient Accommodations Tax

In accordance with Sections 201B-11 and 237D-6.5, Hawaii Revised Statutes (“HRS”), the primary source of funding for the Authority's Convention Center Fund is the transient accommodations tax (“TAT”) collected by the State. The TAT is assessed at a rate of 10.25% on the gross rental proceeds derived from providing transient accommodations.

Effective July 1, 2007, funds shall be deposited into the Emergency Fund, established in Section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in fund.

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Act 001, Special Session of 2021 (“Act 001”), amended specific provisions of law effective July 1, 2021. Included were Sections 237D-6.5(b), HRS, distribution of the TAT and 201B-11, HRS, tourism special fund.

Effective July 1, 2021, the maximum amount of funding of TAT revenues that may be deposited into the Convention Center Fund is \$11,000,000. Also, pursuant to Act 088, Legislative Session 2021, \$11,000,000 in American Rescue Plan Act (“ARPA”) funds were appropriated to the Convention Center Fund for fiscal years 2022 and 2023.

Effective January 1, 2022, the Tourism Fund was sunset and discontinued the ability to expend any new funds. In its place, the State appropriated \$60,000,000 in fiscal year 2022 funds from ARPA for eligible expenses incurred by the Authority. Those funds will expire in December 2024 and the Authority is currently working with the State’s Department of Budget & Finance to ensure the ability to expend funds until the expiration date.

Investments

The Authority’s investments are reported at fair value within the fair value hierarchy established by GAAP.

Fair Value Measurements

The Authority measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value, as follows:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – Inputs other than quoted market prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3** – Unobservable inputs for an asset or liability reflecting the reporting entity’s own assumptions. Level 3 inputs are used to measure fair value to the extent that observable Level 1 or Level 2 inputs are not available.

Capital Assets

Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the statement of net position. Capital assets acquired by purchase are recorded at cost. Donated capital assets are valued at the estimated fair value on the date received. Maintenance, repairs, minor replacements, and renewals are charged to operations as incurred. Major replacements, renewals and betterments are capitalized. Capital assets are defined as assets with an initial individual cost of \$100,000 or more for buildings and improvements, and \$5,000 or more for furniture, fixtures and equipment, and are depreciated on the straight-line method over the estimated useful lives of the respective assets (buildings and improvements – 30 years and furniture, fixtures and equipment – five to seven years). Depreciation is recorded on capital assets in the government-wide statement of activities.

Accrued Vacation

Employees hired on or before July 1, 2001 earn vacation at the rate of one and three-quarters working days for each month of service. Employees hired after July 1, 2001 earn vacation at rates ranging between one and two working days for each month of service, depending upon the employees' years of service and job classifications. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or expected to be paid with expendable available financial resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Hawaii ("ERS"), and additions to/deductions from the ERS's fiduciary net position have been determined on the same basis as they are reported by the ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at their fair value.

Postemployment Benefits Other Than Pensions

For purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF"), and additions to/deductions from the EUTF's fiduciary net position have been determined on the same basis as they are reported by the EUTF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at their fair value.

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Net Position and Fund Balance

In the government-wide financial statements, net position is reported in two categories: net investment in capital assets and restricted net position. Restricted net position represents net position restricted by parties outside of the Authority (such as citizens, public interest groups, or the judiciary), or imposed by law through enabling legislation, and includes unspent proceeds of bonds issued to acquire or construct capital assets.

In the Fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The Authority classifies fund balance based primarily on the extent to which a government is bound to follow constraints on how resources can be spent in accordance with GAAP. Classifications include:

- **Restricted** – Balances that are restricted for specific purposes by external parties such as creditors, grantors, or other governments. Sources of these externally enforceable legal restrictions include creditors, grantors, or other governments.
- **Committed** – Balances that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., legislation) of the State’s Legislature, the highest level of decision-making authority. Legislation is required to modify or rescind a fund balance commitment.
- **Assigned** – Balances that are constrained by management to be used for specific purposes, as authorized by the HRS, but are not restricted or committed. For general fund only, encumbrance balances at fiscal year-end are classified as assigned.
- **Unassigned** – Residual balances that are not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance.

Marketing Contractors

During fiscal year 2022, the Authority contracted with the following seven major marketing contractors to provide tourism, planning, implementation, and other services to assist the Authority in executing its marketing mission:

- Hawaii Visitors and Convention Bureau – United States of America and Global Meetings and Conventions
- a.Link LLC, dba Hawaii Tourism Japan – Japan
- Aviareps Marketing Garden (Holdings) Ltd. – Korea
- The Walshe Group, dba Hawaii Tourism Oceania – Australia and New Zealand

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- ITravLocal Ltd. – China
- VoX International Inc. – Canada

Center Contract

The Authority contracts with ASM Global (“ASM”), a private contractor, to manage and operate the Center. ASM is on a cost-reimbursement contract whereby it is reimbursed by the Authority for costs incurred in operating the Center. Through December 31, 2019, ASM held the responsibility for the Center’s sales and marketing efforts. Starting January 1, 2020, Act 026, Session Laws of Hawaii 2019, authorized contracts entered by the Authority for the marketing of the Center to be issued separately from the management, use, operation or maintenance of the facility. Effective January 1, 2020, the Authority amended ASM’s contract to reflect responsibilities for local sales.

Effective January 1, 2020, the Authority contracted with the Hawaii Visitors and Convention Bureau to be responsible for the Center’s sales and marketing efforts as part of a global meetings and conventions program.

Intrafund and Interfund Transactions

Transfers of financial resources within the same fund are eliminated. Transfers from funds receiving revenues to funds through which the resources are to be expended and funds disbursed to fiduciary funds are recorded as transfers.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires 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.

Newly Issued Accounting Pronouncements

GASB Statement No. 87

The GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the provisions of the contract. The Authority adopted GASB Statement No. 87 effective July 1, 2021. This Statement did not have a material effect on the Authority’s financial statements.

GASB Statement No. 92

The GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Authority implemented GASB

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Statement No. 92 during fiscal year 2022. This Statement did not have a material effect on the Authority's financial statements.

GASB Statement No. 94

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Authority has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 96

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Authority has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 99

The GASB issued Statement No. 99, *Omnibus*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this Statement are effective immediately while other requirements are effective for fiscal years beginning after June 15, 2022 and June 15, 2023, respectively. The Authority has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 100

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The Authority has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 101

The GASB issued Statement No. 101, *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The Authority has not determined the effect this Statement will have on its financial statements.

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2. Equity in Cash and Cash Equivalents and Investments in State Treasury

The State Director of Finance is responsible for the safekeeping of cash and investments in the State Treasury in accordance with State laws. The Director of Finance may invest any monies of the State which, in the Director’s judgment, are in excess of the amounts necessary for meeting the immediate requirements of the State. Cash is pooled with funds from other State agencies and departments and deposited into approved financial institutions or in the State Treasury Investment Pool System. Funds in the investment pool accrue interest based on the average weighted cash balances of each account.

The State requires that depository banks pledge, as collateral, government securities held in the name of the State for deposits not covered by federal deposit insurance.

GAAP requires disclosures over common deposit and investment risks related to credit risk, interest rate risk, and foreign currency risk. Investments can be categorized by type, maturity and custodian to determine the level of interest rate, credit and custodial risk assumed by the Authority. However, as these funds are held in the State investment pool, the Authority does not manage these investments and the types of investments, and related interest rate, credit and custodial risks are not determinable at the Authority’s level. The risk disclosures and fair value leveling table of the State’s investment pool are included in the State’s Annual Comprehensive Financial Report (“ACFR”) which may be obtained from the Department of Accounting and General Services’ (“DAGS”) website: <http://ags.hawaii.gov/accounting/annual-financial-reports/>.

Cash and short-term investments held outside of the State Treasury are primarily held in a financial institution in the State of Hawaii. The Authority considers all cash and investments with original maturities of three months or less to be cash equivalents.

At June 30, 2022, the Authority’s deposits with DAGS totaled approximately \$116,707,000.

3. Capital Assets

The following is a summary of changes in capital assets during the year ended June 30, 2022:

	Balance at July 1, 2021	Additions	Deductions	Transfers	Balance at June 30, 2022
Capital assets not being depreciated					
Land	\$ 131,496,508	\$ -	\$ -	\$ -	\$ 131,496,508
Construction in progress	3,060,686	4,072,957	(5,366,618)	-	1,767,025
Total capital assets not being depreciated	134,557,194	4,072,957	(5,366,618)	-	133,263,533
Capital assets being depreciated					
Buildings and improvements	227,860,972	5,149,912	(435,056)	(3,172,119)	229,403,709
Furniture, fixtures and equipment	7,727,948	258,199	(520,639)	3,172,119	10,637,627
Total capital assets being depreciated	235,588,920	5,408,111	(955,695)	-	240,041,336
Less: Accumulated depreciation and amortization					
Buildings and improvements	(171,840,903)	(7,430,062)	215,598	-	(179,055,367)
Furniture, fixtures and equipment	(5,376,281)	(1,207,511)	381,247	-	(6,202,545)
Total accumulated depreciation and amortization	(177,217,184)	(8,637,573)	596,845	-	(185,257,912)
Total capital assets, net	\$ 192,928,930	\$ 843,495	\$ (5,725,468)	\$ -	\$ 188,046,957

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Depreciation expense charged to the Hawaii Convention Center management function amounted to approximately \$8,638,000 for the year ended June 30, 2022.

4. Investments

At June 30, 2022, the fair value measurements reportable by the Authority consisted of investments in U.S. Treasury obligations valued at quoted market prices, a Level 1 valuation input. There were no investments for which Level 2 and 3 valuation inputs were required. The following table presents the fair value of the Authority's investments by level of input at June 30, 2022:

	Reported Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Emergency Funds				
U.S. Treasury obligations	\$ 3,484,905	\$ 3,484,905	\$ -	\$ -

The following table presents the Authority's investments by maturity period at June 30, 2022:

	Reported Value	Maturity (in years)		
		Less than 1	1-5	>5
Emergency Funds				
U.S. Treasury obligations	\$ 3,484,905	\$ 998,850	\$ 2,486,055	\$ -

Interest Rate Risk

The Authority's investment policy generally limits maturities on investments to not more than five years from the date of investment to limit its exposure to fair value losses arising from rising interest rates.

Credit Risk

The Authority's investment policy limits its investments to investments in U.S. Treasury obligations, certificates of deposit, U.S. government or agency obligations, commercial paper, federally insured savings accounts, and money market funds.

Custodial Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Authority or the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's and the State's investments are held at broker/dealer firms that are protected by the Securities Investor Protection Corporation ("SIPC") up to a maximum amount. In addition, excess-SIPC coverage is provided by the firms' insurance policies. The Authority and the State require the institutions to set aside, in safekeeping, certain types of securities to collateralize repurchase agreements.

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The Authority and the State monitor the fair value of these securities and obtain additional collateral when appropriate.

5. Other Assets

Other assets primarily represent funds held by ASM for emergency capital improvements, repair or maintenance purchases, and various capital improvement projects. At June 30, 2022, funds held amounted to approximately \$27,321,000.

6. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Accrued vacation payable	\$ 561,372	\$ 149,011	\$ (297,526)	\$ 412,857	\$ 128,641
Net other postemployment benefits liability	5,233,608	115,463	(359,660)	4,989,411	-
Net pension liability	6,933,564	488,485	(1,688,817)	5,733,232	-
	<u>\$ 12,728,544</u>	<u>\$ 752,959</u>	<u>\$ (2,346,003)</u>	<u>\$ 11,135,500</u>	<u>\$ 128,641</u>

The accrued vacation liability attributable to the governmental activities will be liquidated by the Authority's governmental funds. All of the accrued vacation liability was paid by the Tourism Fund during the year ended June 30, 2022.

7. Retirement Benefits

Pension Plan

Plan Description

Generally, all full-time employees of the State and counties are required to be members of the ERS, a cost-sharing multiple-employer defined benefit pension plan that administers the State's pension benefits program. Benefits, eligibility, and contribution requirements are governed by HRS Chapter 88 and can be amended through legislation. The ERS issues publicly available annual financial reports that can be obtained at the ERS website: <http://ers.ehawaii.gov/resources/financials>.

Benefits Provided

The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability and death benefits with three membership classes known as the noncontributory, contributory and hybrid retirement classes. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% to 2.25%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for

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members hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their original retirement allowance without a ceiling. Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling. The annual increase is not compounded.

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

Noncontributory Class

- Retirement Benefits – General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with ten years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.
- Disability Benefits – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. Ten years of credited service are required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.
- Death Benefits – For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or surviving dependent children, no benefit is payable.

Ordinary death benefits are available to employees who were active at time of death with at least ten years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/re-entry into a new reciprocal beneficiary relationship) and surviving dependent children (up to age 18) receive a benefit equal to a percentage of the member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension and the surviving dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

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Contributory Class for Members Hired Prior to July 1, 2012

- Retirement Benefits – General employees’ retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 55.
- Disability Benefits – Members are eligible for service-related disability benefits regardless of length of service and receive a one-time payment of the member’s contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. Ten years of credited service are required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.
- Death Benefits – For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member’s contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Class for Members Hired After June 30, 2012

- Retirement Benefits – General employees’ retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60.
- Disability and Death Benefits – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 50% of their average final compensation plus refund of contributions and accrued interest. Ten years of credited service are required for ordinary disability.

Death benefits for contributory members hired after June 30, 2012 are generally the same as those for contributory members hired June 30, 2012 and prior.

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Hybrid Class for Members Hired Prior to July 1, 2012

- Retirement Benefits – General employees’ retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.
- Disability Benefits – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service are required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.
- Death Benefits – For service-connected deaths, the designated surviving spouse/reciprocal beneficiary receives a lump sum payment of the member’s contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Hybrid Class for Members Hired After June 30, 2012

- Retirement Benefits – General employees’ retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60.

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- *Disability and Death Benefits* – Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least ten years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributions

Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rate for fiscal year 2022 was 24% for all employees other than police and fire employees. Contributions to the pension plan from the Authority was approximately \$388,000 for the year ended June 30, 2022.

Pursuant to Act 17, SLH 2017, employer contributions from the State and counties increased over four years beginning July 1, 2017. The rate for all employees other than police and fire employees increased to 24% on July 1, 2020.

The employer is required to make all contributions for noncontributory members. Contributory members hired prior to July 1, 2012 are required to contribute 7.8% of their salary. Contributory members hired after June 30, 2012 are required to contribute 9.8% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Authority reported a net pension liability of approximately \$5,733,000 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2021, the Authority's proportion was 0.083% which was an increase of 0.002% from its proportion measured as of June 30, 2020.

There was no change in actuarial assumptions as of June 30, 2020 to June 30, 2021. There were no changes between the measurement date, June 30, 2021, and the reporting date, June 30, 2022, that are expected to have a significant effect on the proportionate share of the net pension liability.

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For the year ended June 30, 2022, the Authority recognized pension expense of approximately \$488,000. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 142,683	\$ (28,638)
Changes in assumptions	33,486	(38)
Net difference between projected and actual earnings on pension plan investments	-	(910,401)
Changes in proportion and differences between contributions and proportionate share of contributions	25,867	(32,516)
Contributions subsequent to the measurement date	388,302	-
	<u>\$ 590,338</u>	<u>\$ (971,593)</u>

At June 30, 2022, the approximate \$388,000 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	
2023	\$ (163,403)
2024	(154,513)
2025	(185,436)
2026	(269,744)
2027	3,539
	<u>\$ (769,557)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions adopted by the ERS Board of Trustees on August 12, 2019, based on the 2018 Experience Study for the five-year period from July 1, 2013 through June 30, 2018:

Inflation	2.50%
Payroll growth rate	3.50%
Investment rate of return	7.00% per year, compounded annually including inflation

There were no changes to ad hoc postemployment benefits including cost of living allowances.

Post-retirement mortality rates are based on the 2019 Public Retirees of Hawaii mortality table with adjustments based on generational projections of the BB projection table for 2019 and full

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generational projections in future years. Pre-retirement mortality rates are based on multiples of the Pub-2010 mortality table based on the occupation of the member.

The long-term expected rate of return on pension plan investments was determined using a “top down approach” of the Client-constrained Simulation-based Optimization Model (a statistical technique known as “re-sampling with a replacement” that directly keys in on specific plan-level risk factors as stipulated by the ERS’s Board of Trustees) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future nominal rates of return (real returns and inflation) by the target asset allocation percentage. The target asset allocation and best estimates of long-term geometric strategic range of return for each major asset class are summarized in the following table:

	Target Allocation	Expected Long-Term Geometric Average Strategic Range
Strategic allocation (risk-based classes)		
Broad growth	63.0 %	8.0 %
Diversifying strategies	37.0 %	5.1 %
Total investments	<u>100.0 %</u>	

Discount Rate

The discount rate used to measure the net pension liability was 7.00%, consistent with the rate used at the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the State will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the State’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority’s proportionate share of the net pension liability	<u>\$ 7,825,000</u>	<u>\$ 5,733,000</u>	<u>\$ 4,008,000</u>

Pension Plan Fiduciary Net Position

The pension plan's fiduciary net position is determined on the same basis used by the pension plan. The ERS financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report. The ERS complete financial statements are available at <http://ers.ehawaii.gov/resources/financials>.

Payables to the Pension Plan

The Authority's employer contributions payable to the State for its allocation of the State payable to ERS was paid by June 30, 2022. Excess payments of approximately \$21,000 are being applied to amounts due in fiscal year 2023.

Required Supplementary Information and Disclosures

The State's ACFR includes the required disclosures and required supplementary information on the State's pension plan.

Postemployment Healthcare and Life Insurance Benefits

Plan Description

The State provides certain healthcare and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the State contributes to the EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees, and their dependents. The EUTF issues an annual financial report that is available to the public at <https://eutf.hawaii.gov/reports/>. The report may also be obtained by writing to the EUTF at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

For employees hired before July 1, 1996, the State pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the

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State pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

Employees Covered by Benefit Terms

At July 1, 2021, the State had the following number of plan members covered:

Inactive plan members or beneficiaries currently receiving benefits	38,534
Inactive plan members entitled to but not yet receiving benefits	7,539
Active plan members	<u>49,700</u>
Total plan members	<u>95,773</u>

Contributions

Contributions are governed by HRS Chapter 87A and may be amended through legislation. Contributions to the OPEB plan from the Authority were approximately \$169,000 for the year ended June 30, 2022. The employer is required to make all contributions for members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the Authority reported a net OPEB liability of approximately \$4,989,000. The net OPEB liability was measured as of July 1, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

There were no changes between the measurement date, July 1, 2021, and the reporting date, June 30, 2022, that are expected to have a significant effect on the net OPEB liability.

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For the year ended June 30, 2022, the Authority recognized OPEB expense of approximately \$115,000. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (460,323)
Changes in assumptions	42,367	(29,500)
Net differences between projected and actual earnings on OPEB plan investments	-	(13,604)
Contributions subsequent to the measurement date	<u>169,265</u>	<u>-</u>
	<u>\$ 211,632</u>	<u>\$ (503,427)</u>

At June 30, 2022, the approximate \$169,000 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2023	\$ (107,729)
2024	(107,277)
2025	(104,555)
2026	(117,282)
2027	<u>(24,217)</u>
	<u>\$ (461,060)</u>

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June 30, 2022

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions adopted by the EUTF's Board of Trustees on January 13, 2020, based on the experience study covering the five-year period ended June 30, 2018 as conducted for the ERS:

Inflation	2.50%
Salary increases	3.50% to 7.00% including inflation
Investment rate of return	7.00%
Healthcare cost trend rates	
PPO*	Initial rate of 7.25% declining to a rate of 4.70% after 12 years
HMO*	Initial rate of 7.25% declining to a rate of 4.70% after 12 years
Contribution	Initial rate of 5.00% declining to a rate of 4.70% after 9 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drugs.

Mortality rates are based on system-specific mortality tables utilizing scale BB to project generational mortality improvement.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	12.50 %	10.19 %
U.S. microcap	6.00 %	7.62 %
U.S. equity	16.00 %	6.09 %
Non-U.S. equity	11.50 %	7.12 %
Global options	5.00 %	4.33 %
Real assets	10.00 %	6.16 %
Private credit	8.00 %	5.83 %
TIPS	5.00 %	(0.07)%
Long treasuries	6.00 %	1.06 %
Alternative risk premia	5.00 %	1.46 %
Trend following	10.00 %	2.01 %
Reinsurance	5.00 %	4.44 %
Total investments	<u>100.00 %</u>	

Single Discount Rate

The discount rate used to measure the net OPEB liability was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00%. Beginning with the fiscal year 2019 contribution, the State's funding policy is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. In July 2020, the Governor's office issued the Tenth Proclamation related to the COVID-19 Emergency, allowing employers of the EUTF to suspend Act 268 contributions for fiscal year ended June 30, 2021, and instead limit their contribution amounts to the OPEB benefits due. This relief provision related to OPEB funding was extended to fiscal years 2022 and 2023 by Act 229, SLH 2021. The OPEB plan's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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June 30, 2022

OPEB Plan Fiduciary Net Position

The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The EUTF's financial statements are prepared using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the cash flows. Employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued EUTF financial report. The EUTF complete financial statements are available at <https://eutf.hawaii.gov/reports/>.

Changes in Net OPEB Liability

The following table represents a schedule of changes in the net OPEB liability. The ending balances are as of the measurement date, July 1, 2021.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balance	\$ 6,567,761	\$ 1,334,153	\$ 5,233,608
Service cost	48,508	-	48,508
Interest on the total OPEB liability	161,024	-	161,024
Difference between expected and actual experience	(68,345)	-	(68,345)
Employer contributions	-	252,869	(252,869)
Net investment income	-	132,558	(132,558)
Benefit payments	(73,585)	(73,585)	-
Administrative expense	-	(68)	68
Other	-	25	(25)
Net changes	<u>67,602</u>	<u>311,799</u>	<u>(244,197)</u>
Ending balance	<u>\$ 6,635,363</u>	<u>\$ 1,645,952</u>	<u>\$ 4,989,411</u>

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June 30, 2022

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following table presents the Authority’s net OPEB liability calculated using the discount rate of 7.00%, as well as what the Authority’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority’s proportionate share of the net OPEB liability	<u>\$ 6,172,000</u>	<u>\$ 4,989,000</u>	<u>\$ 4,057,000</u>

The following table presents the Authority’s net OPEB liability calculated using the assumed healthcare cost trend rate, as well as what the Authority’s net OPEB liability would be if it were calculated using the trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority’s proportionate share of the net OPEB liability	<u>\$ 4,006,000</u>	<u>\$ 4,989,000</u>	<u>\$ 6,259,000</u>

Payables to the OPEB Plan

The Authority’s employer contributions payable to the State for its allocation of the State payable to the EUTF was \$118,000 as of June 30, 2022.

Required Supplementary Information and Disclosures

The State’s ACFR includes the required disclosures and required supplementary information on the State’s OPEB plan.

8. Commitments and Contingencies

Accumulated Sick Leave

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limit, but may be taken only in the event of illness and is not convertible to pay upon termination of employment. However, an employee who retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the ERS. At June 30, 2022, accumulated sick leave was approximately \$935,000.

Deferred Compensation Plan

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all state employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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All plan assets are held in a trust fund to protect them from claims of general creditors. The State has no responsibility for loss due to the investment or failure of investment of funds and assets in the plan but does have the duty of due care that would be required of an ordinary prudent investor. Accordingly, the assets and liabilities of the State's deferred compensation plan are not reported in the accompanying basic financial statements.

Contingencies

The Authority may be subject to legal proceedings, claims and litigation arising in the normal course of operations 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 financial statements. However, it is reasonably possible that such estimates may change within the near term.

Insurance

The State maintains certain insurance coverage to satisfy the bond indenture agreements as well as for other purposes, but is substantially self-insured for all other perils including workers' compensation. The State records a liability for risk financing and insurance related losses, including incurred but not reported, if it is determined that a loss has been incurred and the amount can be reasonably estimated. The State retains various risks and insures certain excess layers with commercial insurance companies. At June 30, 2022, the State recorded an estimated loss for workers' compensation, automobile, and general liability claims as long-term liabilities as the losses will not be liquidated with currently expendable available financial resources. The estimated losses will be paid from legislative appropriations of the State's general fund. The Authority's portion of the State's workers' compensation liability was not material at June 30, 2022.

9. Subsequent Events

During the 2022 Legislative Session, H.B. No. 1147 was introduced which reflected an intention to appropriate \$60 million in annual Authority funding and a \$28.5 million annual appropriation expenditure ceiling for the Convention Center. However, the bill was ultimately vetoed due to concerns over potential legal challenges. In its place, former Governor Ige allocated \$35 million in fiscal year 2023 funding to the Authority to use in combination with fiscal year 2022 carryover funds for fiscal year 2023 operations. Without an appropriated expenditure ceiling, the Authority is unable to encumber new contracts from its primary Convention Center sub-fund and the Convention Center management company is relying on funds under its existing contract with the Authority. The Authority is currently seeking to resolve these matters with the 2023 Legislature.

In April 2022, the Authority issued a request for proposals for destination brand marketing and management services for the United States major market area. The award was protested and in December 2022, the Head of the Purchasing Agency cancelled the solicitation.

**Required Supplementary Information Other
than Management's Discussion and Analysis
(Unaudited)**

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Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Budgetary Comparison Schedules – Tourism Special Fund and
Convention Center Special Fund
June 30, 2022

	Tourism Special Fund				Convention Center Special Fund			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance – Favorable (Unfavorable)	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance – Favorable (Unfavorable)
Revenues								
Transient accommodations tax	\$ -	\$ -	\$ -	\$ -	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ -
Hawaii Convention Center Operations	-	-	-	-	3,024,372	3,024,372	3,877,744	853,372
Interest	-	-	12,881	12,881	-	-	8,078	8,078
Federal grant revenue	60,000,000	48,340,000	60,000,000	11,660,000	11,000,000	11,000,000	11,000,000	-
Other	-	-	234,055	234,055	-	-	113,391	113,391
Total revenues	60,000,000	48,340,000	60,246,936	11,906,936	25,024,372	25,024,372	25,999,213	974,841
Expenditures	60,000,000	48,340,000	27,419,501	(20,920,499)	25,024,372	25,024,372	10,771,394	(14,252,978)
Excess of revenues over expenditures	-	-	32,827,435	32,827,435	-	-	15,227,819	15,227,819
Other financing sources – Transfers in	-	-	13,627	13,627	-	-	-	-
Excess of revenues and other sources over expenditures	\$ -	\$ -	\$ 32,841,062	\$ 32,841,062	\$ -	\$ -	\$ 15,227,819	\$ 15,227,819

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Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Notes to Required Supplementary Information
June 30, 2022

1. Budgeting and Budgetary Control

The budget of the Authority is a detailed operating plan identifying estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, services and activities to be provided during the fiscal year, (2) the estimated revenues available to finance the operating plan, and (3) the estimated spending requirements of the operating plan. The budget represents a process through which policy decisions are made, implemented and controlled. Revenue estimates are provided to the State Legislature at the time of budget consideration and are revised and updated throughout the fiscal year. Amounts reflected as budgeted revenues in the statement of revenues and expenditures – budget and actual (budgetary basis) – Tourism Fund and Convention Center Fund are those estimates as compiled and reviewed by the Authority.

The final legally adopted budget in the accompanying statement of revenues and expenditures – budget and actual (budgetary basis) – Tourism Fund and Convention Center Fund represents the original appropriations, transfers, and other legally authorized legislative and executive changes.

Budgetary control is maintained at the appropriation line item level as established in the appropriations act. The governor is authorized to transfer appropriations within a state agency; however, transfers of appropriations between state agencies generally require legislative authorization. Records and reports reflecting the detail level of control are maintained by and are available at the Authority. During the year ended June 30, 2022, there were no expenditures in excess of appropriations at the legal level of budgetary control.

To the extent not expended or encumbered, Tourism Fund appropriations generally lapse at the end of the fiscal year for which the appropriations were made. The State Legislature specifies the lapse dates and any other contingencies, which may terminate the authorizations for other appropriations.

Budgets adopted by the State Legislature for the Tourism Fund and Convention Center Fund are presented in the accompanying budgetary comparison schedule – Tourism Special Fund and Convention Center Special Fund. The Authority's annual budget is prepared on the budgetary basis of accounting with several differences from the preparation of the statement of revenues, expenditures, and changes in fund balances, principally related to (1) encumbrance of purchase orders and contract obligations and (2) accrued revenues and expenditures.

Hawaii Tourism Authority
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Notes to Required Supplementary Information
June 30, 2022

A reconciliation of the budgetary to GAAP basis operating results of the Tourism Fund and Convention Center Fund for the year ended June 30, 2022 is as follows:

	Tourism Special Fund	Convention Center Special Fund
Excess of revenues and other sources over expenditures – actual (budgetary basis)	\$ 32,841,062	\$ 15,227,819
Reserve for encumbrances at fiscal year end	12,023,049	10,020,285
Expenditures for liquidation of prior fiscal year encumbrances	(37,023,702)	(19,351,499)
Revenues and expenditures for unbudgeted programs, net	<u>(41,602,731)</u>	<u>(20,201,737)</u>
Net change in fund balance – GAAP basis	<u>\$ (33,762,322)</u>	<u>\$ (14,305,132)</u>

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Supplementary Information

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Hawaii Tourism Authority
 (A Component Unit of the State of Hawaii)
Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Program or Pass-through Entity	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of the Treasury			
Pass-through from the Executive Office of the State of Hawaii			
COVID-19 Coronavirus Relief Fund	21.019	S-21-350-Q	\$ 3,960
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	S-22-262-B, S-22-222-B	<u>16,147,561</u>
Total U.S. Department of the Treasury			<u>16,151,521</u>
Total expenditures of federal awards			<u>\$ 16,151,521</u>

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See accompanying independent auditors' report and notes to the schedule of expenditures of federal awards.

Hawaii Tourism Authority
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Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Hawaii Tourism Authority ("Authority") under programs of the federal government for the year ended June 30, 2022 and is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Authority, it is not intended to and does not present the financial position or changes in net position of the Authority.

2. Summary of Significant Accounting Policies

Expenditures in the Schedule are reported on the cash basis of accounting . Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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**Compliance and Internal Control
Over Financial Reporting**

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**Report of Independent Auditors on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Auditor
State of Hawaii


The Board of Directors
Hawaii Tourism Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Hawaii Tourism Authority (the “Authority”), a component unit of the State of Hawaii, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued our report thereon dated February 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Honolulu, Hawaii
February 14, 2023

**Compliance and Internal Control
Over Federal Awards**

DRAFT



**Report of Independent Auditors on
Compliance for Each Major Program and
Internal Control Over Compliance
Required by the Uniform Guidance**

The Auditor
State of Hawaii

The Board of Directors
Hawaii Tourism Authority

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

We have audited the Hawaii Tourism Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2022. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Honolulu, Hawaii
February 14, 2023

Hawaii Tourism Authority
 (A Component Unit of the State of Hawaii)
Schedule of Findings and Questioned Costs
June 30, 2022

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued Unmodified

Internal control over financial reporting

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ___ yes X no

Identification of major programs

Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? ___ yes X no

Section II – Financial Statement Findings

None noted.

DRAFT

Section III – Federal Award Findings and Questioned Costs

None noted.

DRAFT

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Summary Schedule of Prior Audit Findings
June 30, 2022

There were no prior year findings or questioned costs.

DRAFT

11.3

Accuity

Required Communications Letter

The Auditor
State of Hawaii

The Board of Directors
Hawaii Tourism Authority

We have audited the financial statements of the governmental activities and each major fund of the Hawaii Tourism Authority (the “Authority”) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter with the Authority dated May 16, 2022 and Contract No. 70068 with you dated March 24, 2022. Professional standards also require that we communicate to you the following information related to our audit.


Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Authority adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, in 2022. The adoption of this statement did not have a material impact on the Authority’s financial statements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority’s financial statements were:

- Useful lives used to depreciate capital assets such as capitalized costs of the Convention Center.
- Accrued vacation liability.
- Net pension and other postemployment benefit (“OPEB”) liabilities.



We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- *Note 6*, related to the Authority's net pension liability.
- *Note 6*, related to the Authority's net OPEB liability.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The adjusting and reclassifying entries included in the attached management representation letter and detected as a result of our audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations


We have requested certain representations from management that are included in the attached management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

As discussed in Note 1 to the financial statements, the financial statements of the Authority include only the governmental activities and each major fund of the Authority, and are not intended to present fairly the financial position of the State of Hawaii as of June 30, 2022,



and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our auditors' report includes an emphasis of matter paragraph for this matter.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and budgetary comparison schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Honolulu, Hawaii
February 2023

12

Discussion Regarding an Update on the Meetings,
Conventions and Incentives Market Activity and Pace
Report, and Hawaii Convention Center
Activity and Local Sales

HTA Board Update

GLOBAL MCI SALES

February 23, 2023

John Reyes,
Senior Vice President, Chief MCI Sales Officer



DEFINITIONS

Sales Production

- New volume of events and room nights for any future year

Consumption

- On the Books (OTB)
- OTB booked events and room nights in the year they occur

SALES PRODUCTION UPDATE



FUTURE PACE – NUMBER OF EVENTS

Calendar Year	Definite Bookings 1/25/23	Definite Bookings 2/17/23	Pace Event Target	Left to Book 1/25/23	Left to Book 2/17/23
2023	11	12	16	(5)	(4)
2024	8	8	9	(1)	(1)
2025	8	8	7	1	1
2026	2	2	5	(3)	(3)
2027	1	1	4	(3)	(3)
2028	0	0	3	(3)	(3)
2029	0	0	2	(2)	(2)
2030	1	1	2	(1)	(1)



As of 2/17/23

HCC BOOKINGS (Consumption)

Calendar Year	1/25/23 # Citywide Definite Events	2/17/23 # Citywide Definite Events	Contractor Source **
2020	3*	3*	ASM 3 MH 0
2021	0*	0*	ASM N/A MH N/A
2022	8	8	ASM 5 MH 3
2023	11	12	ASM 5 MH 7
2024	8	8	ASM 4 MH 4
2025	8	8	ASM 5 MH 3
2026	2	2	ASM 1 MH 1
2027	1	1	ASM 0 MH 1
2028	0	0	ASM 0 MH 0
2029	0	0	ASM 0 MH 0
2030	1	1	ASM 1 MH 0
Total	42	43	ASM 24 MH 19

Updated 02/17/23

*Impact of COVID shutdown.

**Contractor Source: ASM (HCC) or MH (Meet Hawai'i)



CITYWIDE SALES PRODUCTION

January 2023 v. 2022

January 2023 Sales Production	Jan. 2023	Jan. 2022	Variance	2023 YTD	2022 YTD	Variance
Citywide Definite RN	2,600	0	N/A	2,600	0	N/A
Citywide Tentative RN	63,150	3,811	+1,557%	63,150	3,811	+1,557%

As reported in Meet Hawai'i Global MCI Status Report - January 2023



FUTURE PACE (OTB/Consumption)

Citywide Events Booked at HCC



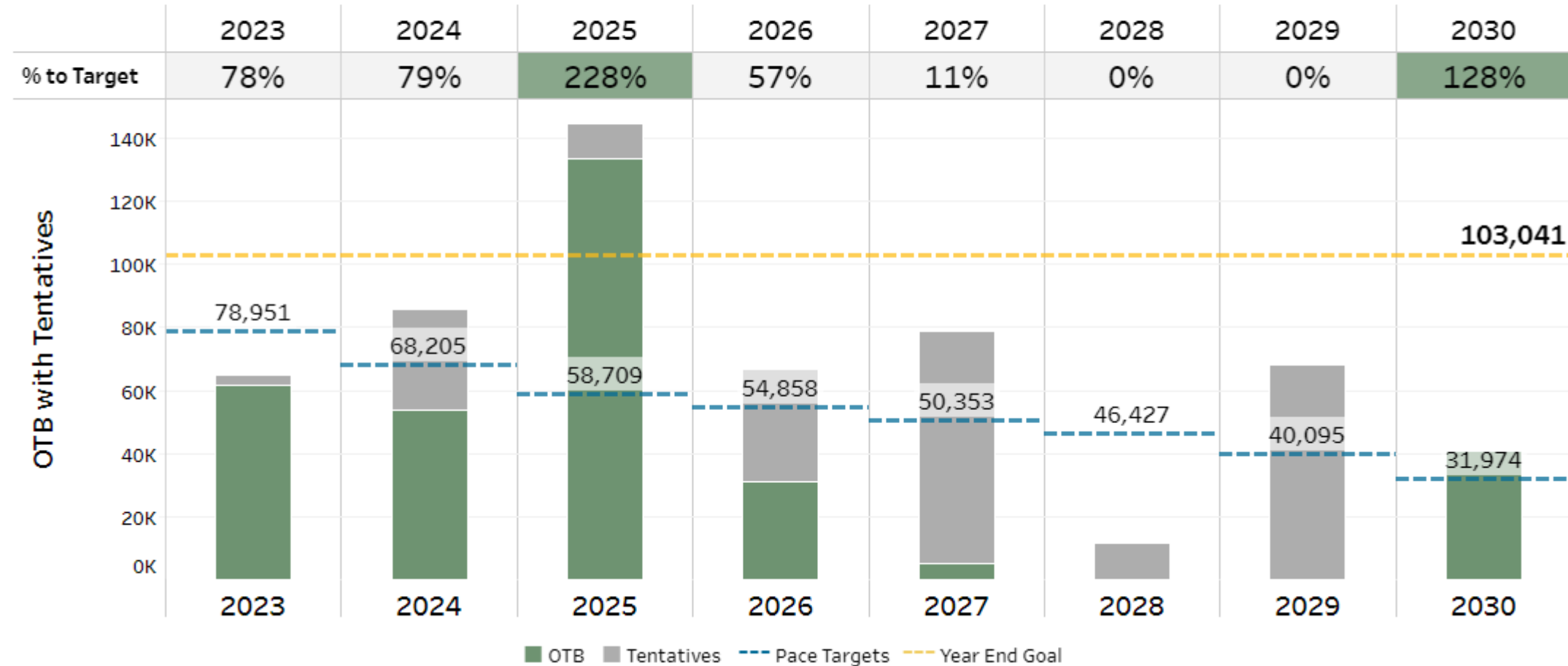
FUTURE PACE (OTB/Consumption)

As of 2/17/23

Hawai'i 8 Year Future Pace for Citywide

Number of events and room nights on the books against a 3-year average year-end goal. Data last refreshed on 2/15/2023 11:07 PM

- (All)
- Citywide
- Single Property



POST-COVID SHORT-TERM RECOVERY STRATEGY 2023 – 2027

(Sales Production)



Short-Term Sales Focus

Strategy for recovery from 2-year shutdown of HCC:

- Immediate need to fill shortfall pre-COVID through 2021
- Larger Citywide event take up to 8 years to book
- So, adjusted booking window to fill the Center in the short-run, with a focus on smaller events with shorter booking windows

Goal: Book 77 events into the Center for the 2023-2027 time period

- To date, 11 have been booked since March 2022



MAHALO!

