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DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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August 23, 2022

COMPTROLLER'S MEMORANDUM NO. 2022-15

TO: Heads of Departments and Agencies
FROM: Curt T. Otaguro, Comptroller 
SUBJECT: State Incremental Borrowing Rate (IBR) Related to GASB No. 87 – Leases

As part of the State's adoption and implementation of Governmental Accounting Standards Board (GASB) Statement No. 87 – Leases, the State will adopt the use of its taxable borrowing rate as the default rate absent an explicit interest rate in an agreement.

As of July 1, 2022, and for the period through June 30, 2023, the default rate to be used for GASB 87 accounting is 4.23%. This rate is to be used for all classes of assets accounted for as leases under GASB 87.

The IBR will be assessed every July 1st to determine the interest rate to be used for the fiscal year.

If you have any questions in applying the IBR, please contact Ron Shiigi, DAGS Audit Division, at ronald.t.shiigi@hawaii.gov or the GASB 87 project team at dagsauditgasb@hawaii.gov.