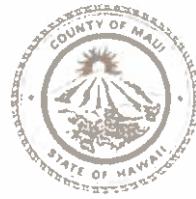


RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7722
www.MauiCounty.gov

January 14, 2026

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

A handwritten signature in black ink, appearing to read "Richard T. Bissen Jr." Below the signature, the word "Mayor" is written in blue ink. To the right of the signature, the date "1-15-26" is written in green ink.

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura and Members:

**SUBJECT: FISCAL YEAR 2025 AND FISCAL YEAR 2026
CARRYOVER/SAVINGS (BFED-20(22))**

Pursuant to your letter dated January 9, 2026, regarding the above-referenced matter, please see our responses below:

May I please request you provide the following:

1. Provide the definitions for the terms "Restricted," "Committed," "Assigned (Encumbrances)," and "Encumbrances" used in the attached FY 2025 Carryover/Savings report.

Response:

Restricted Fund Balance includes amounts that are subject to constraints imposed or legally enforceable by external parties. Funds with restrictions imposed by the Hawaii Revised Statutes and the Maui County Charter are examples of such funds of the County.

Committed Fund Balance includes amounts that are subject to constraints created by the County and can only be changed by the County's highest level of formal action. The County Council and the Mayor of the County of Maui act in concert as the County's highest

decision-making authorities. Bills passed by the County Council and approved by the Mayor are designated as ordinances and become part of the Maui County Code.

Assigned Fund Balance includes fund balances that have been encumbered for purchasing commitments by the Chief Procurement Officer or delegate in accordance with Finance and Budget policies and are neither restricted nor committed. Specifically, it is a classification used by the General fund and includes amounts constrained by the County's intent to be used for specific purposes (encumbrances) but are neither restricted nor committed. Given that special revenue fund balances are restricted or committed, encumbrances as used in the FY 2025 Carryover/Savings report are deducted from the special revenue fund balances to arrive at carryover savings.

Definitions of fund balances and policies appear in the County's FY2025 Annual Comprehensive Financial Report (ACFR) on page 59 and are included in every previous year that comprise Notes to the Basic Financial Statements.

Encumbrances are commitments related to unperformed (executory) contracts for goods or services.

2. For each fund with an Actual FY 2025 Carryover/Savings amount in excess of \$3,000,000, please:
 - a. Detail the items that make up the following balances:
 - 1) Restricted;
 - 2) Committed;
 - 3) Assigned (Encumbrances); and
 - 4) Encumbrances.
 - b. Provide the amount related to revenue collections in excess of budget, listed by revenue category, with the amount for each category and the total.

- c. Provide the amount related to unspent Category A appropriations, listed by department, with the amount for each department and the total.
- d. Provide the amount related to unspent combined Category B and Category C appropriations, listed by department, with the amount for each department and the total.
- e. Provide the amount related to unspent Capital Improvement Project appropriations, listed by project, with the amount for each project and the total.

Response: Please refer to the attached spreadsheet for items 2a – 2d. Regarding item 2e, the department would need additional time to provide the information requested. Note that information provided does not include Department of Water Supply as there was insufficient time.

- 3. Relating to Komohana Hale Apartments, please:
 - a. Provide the date and amount for each receipt that makes up the \$4,547,617 in insurance proceeds.

Response: Insurance proceeds were received in October 2023 in the amount of \$4,989,055. The insurance proceeds were netted with an impairment loss of \$441,438 for net insurance proceeds of \$4,547,617.

- b. Explain how the insurance proceeds were recorded, including the fund the proceeds were deposited into. Further, explain why and how the fund was created. Provide the Ordinance number or Maui County Code reference for the creation of the fund.

Response: The insurance proceeds were deposited into the County's general checking account and subsequently recorded in the Housing, Interim Financing, and Buyback Revolving Enterprise Fund. Historical information requested would require additional research and collaboration with other departments.

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Response to BFED-20(22)
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Page 2

c. Explain why the insurance proceeds were not recorded in the General Fund and then appropriated to the project.

Response: The insurance proceeds were not recorded in the General Fund as governmental accounting financial reporting standards require the recognition of the insurance proceeds to the fund in which the capital asset impairment is recognized.

Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at extension 7722.

Sincerely,



MARCY MARTIN
Director of Finance

Attachments

2a. Detail the items that make up the following balances: 1) Restricted; 2) Committed; 3) Assigned (Encumbrances); and 4) Encumbrances						
	GENERAL FUND	HIGHWAY FUND	SEWER FUND	SOLID WASTE FUND	EP&S FUND	Housing Interim Buyback Fund
Restricted	220,651,438	33,813,916	-	-	-	-
Committed ²	91,529,508	-	22,484,959	24,768,333	8,961,229	-
Assigned (Encumbrances)	80,570,867	-	-	-	-	-
Encumbrances ¹	-	(10,369,799)	(4,480,305)	(7,659,753)	(5,830,150)	-
¹ For Annual Comprehensive Finance Reporting Purposes the fund balances of the special revenue funds are restricted or committed. For County of Maui internal presentation purposes, the Encumbrances are reduced from the fund balance to reflect funds available for certification.						
² For Annual Comprehensive Finance Reporting Purposes the fund balance of the emergency fund is considered unassigned. For County of Maui internal presentation purposes, the emergency fund balances is reflected as committed, to ensure that it is not accidentally appropriated from carryover savings.						
Restricted						
Affordable Housing Fund (Reported in the General Fund as the AHF is funded by RPT)	157.0					
General Excise Tax collected, not appropriated	28.0					
Managed Retirement Fund (Reported in the General Fund as the MRF is funded by TAT)	12.0					
Open Space Fund (Reported in the General Fund as the OSF is funded by RPT)	23.7					
	220.7					
Committed						
Economic Development and Cultural Programs Fund (Reported in GF as funded by transfer from General Fund)	1.0					
Emergency Fund (Reported in the General Funds as the EF is funded by RPT)	90.5					
	91.5					
Assigned						
Encumbrance	80.7					
	80.7					
2b. Revenue Collections in excess of Budget						
	General Fund	Highway Fund	Sewer Fund	Solid Waste Fund	EP&S Fund	
Taxes						
Real Property Tax	(349,644)					
Transient Accomodations Tax	10,290,817					
Public Service Company Tax	2,105,803					
General Excise Tax	28,047,102					
Charges for Current Services	1,480,877	513,704	(3,569,504)	8,088,409	569,170	
Licenses/Permits/Others	45,815,174	2,403,437	56,742	24,249		
Fuel and Franchise Taxes		2,862,674				
Special Assessments						
Other intergovernmental	19,772					
Revenue in excess (deficit) of budget	87,409,902	5,779,816	(3,512,763)	8,112,659	569,170	

2c. Unspent Category A appropriations				
General Fund				
Department				
				Unspent Appropriations
County Council				432,584.10
County Clerk				398,771.64
Office of the Mayor				295,854.33
Management				2,079,196.23
Corporation Counsel				497,294.39
Prosecuting Attorney				1,582,805.12
Finance				1,079,029.42
Personnel				219,430.26
Planning				1,381,809.86
Police				3,627,030.09
Fire				4,988,763.67
Maui Emergency Management Agency				148,090.55
Housing				429,208.28
Human Concerns				1,106,819.22
Parks and Recreation				3,115,842.09
Public Works				975,735.96
Transportation				202,919.46
Environmental Management				48,615.19
Agriculture				166,527.97
East Maui Water Authority				232,880.98
Uiwi Resources				33,750.00
				23,042,958.81
Highway Fund				
Department				
				Unspent Appropriations
Public Works				1,709,986.44
Sewer Fund				
Department				
				Unspent Appropriations
Environmental Management - Wastewater				1,973,376.22

Solid Waste Fund				
Department		Unspent Appropriations		
Environmental Management - Solid Waste		327,571.85		
EP&S Fund				
Department		Unspent Appropriations		
Environmental Management - EP&S		251,708.49		
2d. Unspent Category B/C appropriations				
General Fund				
Department		Unspent Appropriations		
County Council		2,253,438.64		
County Clerk		800,752.75		
Office of the Mayor		3,432,607.69		
Management		12,363,766.76		
Corporation Counsel		45,247.54		
Prosecuting Attorney		105,888.70		
Finance		1,282,170.79		
Countywide Costs		12,663,266.06		
	Total	13,945,436.85		
Personnel		117,635.20		
Planning		1,345,383.09		
Police		1,377,706.01		
Fire		405,220.82		
Maui Emergency Management Agency		2,165,996.77		
Housing		2,794,960.71		
Human Concerns		1,503,736.19		
Parks and Recreation		737,420.80		
Public Works		896,791.55		
Transportation		27,389.14		
Environmental Management		597,582.76		
Agriculture		453,268.70		
East Maui Water Authority		82,950.31		
Oiwi Resources		143,602.52		
	Grand total	45,596,783.50		

Highway Fund				
Department			Unspent Appropriations	
Public Works			4,865,036.75	
Transportation			119,507.64	
	Total		4,984,544.39	
Sewer Fund				
Department			Unspent Appropriations	
Environmental Management - Wastewater			9,840,665.41	
Solid Waste Fund				
Department			Unspent Appropriations	
Environmental Management - Solid Waste			1,131,152.35	
EP&S Fund				
Department			Unspent Appropriations	
Environmental Management - EP&S			555,497.27	

BFED Committee

From: Estrelita B. Dahilig <Estrelita.B.Dahilig@co.maui.hi.us>
Sent: Thursday, January 15, 2026 11:35 AM
To: BFED Committee
Cc: Marcy L. Martin; Maria E. Zielinski; Stacey M. Vinoray; Josiah K. Nishita; Erin A. Wade; Cynthia E. Sasada; Didi A. Hamai; Kelii P. Nahooikaika; Lesley J. Milner
Subject: TRANSMITTAL: FISCAL YEAR 2025 AND FISCAL YEAR 2026 CARRYOVER SAVINGS (bfed-20(22))
Attachments: MT#11358.BFED.Chair.Sugimura.pdf

Aloha,

Please see attached transmittal dated January 14, 2026, from Director of Finance Marcy Martin regarding the above subject matter.

Thank you and have a great day!

Mahalo,

Lita



Lita B. Dahilig

Secretary

County of Maui
Office of the Mayor
808-270-7855
estrelita.b.dahilig@co.maui.hi.us