



DESTINATION MAUI INC.
Property Management

Wailea Fairway Villas Association

(A 118-Unit Hawaii Condominium Association)

Financial Statements and Supplementary Information

For the One Month and Six Months Ended

June 30, 2023

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I have prepared the accompanying Balance Sheet – Tax Basis as of June 30, 2023, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Six Months then ended, along with the accompanying schedules described above, in my capacity as a stockholder and officer of Destination Maui, Inc. I have not prepared the statements in my capacity as a CPA in the practice of public accounting.

Management has elected to omit substantially all of the disclosures required by the generally accepted principles as issued by the U.S. Financial Accounting Standards Board. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Ronald A. Kawahara

Wailea Fairway Villas Association
Balance Sheet - Tax Basis
June 30, 2023 and 2022

Assets

	2023	2022
CURRENT ASSETS		
Ckg - FCB *****1241	\$ 144,345.69	\$ 40,137.02
Ckg - FCB Debit Card ****4202	2,650.38	2,695.75
MMkt - FCB Savings *****2119	<u>132,280.94</u>	<u>231,451.95</u>
Subtotal - Cash	<u>279,277.01</u>	<u>274,284.72</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	13,679.68	2,162.08
A/R - Prior & Collection	0.00	29,734.22
Allowance for Bad Debts	0.00	(21,723.26)
A/R - Missing Credit Card Receipts	<u>16.66</u>	<u>308.05</u>
Subtotal - Accounts Receivable	<u>13,696.34</u>	<u>10,481.09</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	4,982.00	6,076.00
Prepaid State Income Tax	1,176.00	1,341.00
Unexpired Insurance	75,839.74	63,598.35
NJF Clearing Account	<u>0.00</u>	<u>96,878.73</u>
Subtotal - Other Current Assets	<u>81,997.74</u>	<u>167,894.08</u>
TOTAL CURRENT ASSETS	<u>374,971.09</u>	<u>452,659.89</u>
CAPITAL RESERVE ACCOUNTS		
First Citizens Bank	1,123,220.87	1,552,005.59
Edward Jones	<u>1,005,145.49</u>	<u>600,000.00</u>
Subtotal - Capital Reserves	<u>2,128,366.36</u>	<u>2,152,005.59</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(30,070.00)</u>	<u>(26,350.00)</u>
Subtotal - Fixed Assets	<u>44,330.00</u>	<u>48,050.00</u>
TOTAL OTHER ASSETS	<u>2,172,696.36</u>	<u>2,200,055.59</u>
TOTAL ASSETS	<u>\$ 2,547,667.45</u>	<u>\$ 2,652,715.48</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
June 30, 2023 and 2022**

Liabilities and Fund Balances

	2023	2022
CURRENT LIABILITIES		
A/P - Trade	\$ 14,403.32	\$ 28,760.07
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	75.00	209.29
Owner Prepayments	57,665.24	55,438.72
A/P - NJF Units	0.00	96,878.73
A/P - Insurance	30,816.00	31,442.00
Accrued General Excise Tx	<u>223.86</u>	<u>360.22</u>
Subtotal - Current Liabilities	<u>112,048.69</u>	<u>221,954.30</u>
TOTAL CURRENT LIABILITIES	<u>112,048.69</u>	<u>221,954.30</u>
TOTAL LIABILITIES	<u>112,048.69</u>	<u>221,954.30</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	307,252.40	278,755.59
Restricted Members' Equity	<u>2,128,366.36</u>	<u>2,152,005.59</u>
Subtotal Members' Equity	<u>2,435,618.76</u>	<u>2,430,761.18</u>
TOTAL MEMBERS' EQUITY	<u>2,435,618.76</u>	<u>2,430,761.18</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,547,667.45</u></u>	<u><u>\$ 2,652,715.48</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 2023

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	89,277.46	78.5	89,277	0	535,664.76	75.6	535,665	(0)	1,071,330	535,665
406 - Capital Reserve	23,100.54	20.3	23,101	(0)	138,603.24	19.6	138,603	0	277,206	138,603
415 - Delinquent Owners Late Fee	(82.50)	(0.1)	150	(233)	1,098.14	0.2	900	198	1,800	702
416 - Delinquent Owners Interest	120.63	0.1	17	104	715.66	0.1	102	614	204	(512)
418 - Insurance Evidence Fine	0.00	0.0	0	0	300.00	0.0	0	300	0	(300)
420 - Tenant Information Form	150.00	0.1	0	150	150.00	0.0	0	150	0	(150)
425 - House Rule Violations	<u>500.00</u>	<u>0.4</u>	<u>167</u>	<u>333</u>	<u>11,300.00</u>	<u>1.6</u>	<u>1,000</u>	<u>10,300</u>	<u>2,000</u>	<u>(9,300)</u>
Total Membership Income	113,066.13	99.4	112,712	354	687,831.80	97.1	676,270	11,562	1,352,540	664,708
Non-Membership Income										
430 - Interest Income	46.18	0.0	208	(162)	280.19	0.0	1,250	(970)	2,500	2,220
431 - Reserve Interest Income	503.45	0.4	1,208	(705)	6,905.28	1.0	7,250	(345)	14,500	7,595
441 - Kayak Rack Rental	180.00	0.2	167	13	1,275.00	0.2	1,000	275	2,000	725
499 - Other Income	0.00	0.0	8	(8)	90.00	0.0	50	40	100	10
499.1 - Spectrum	<u>0.00</u>	<u>0.0</u>	<u>1,000</u>	<u>(1,000)</u>	<u>12,100.00</u>	<u>1.7</u>	<u>6,000</u>	<u>6,100</u>	<u>12,000</u>	<u>(100)</u>
Total Non-Membership Income	729.63	0.6	2,591	(1,861)	20,650.47	2.9	15,550	5,100	31,100	10,450
Total Revenues	113,795.76	100.	115,303	(1,507)	708,482.27	100.	691,820	16,662	1,383,640	675,158
Operating Expenses										
Administration Expenses										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	0.00	0.0	60	(60)	120	120
645 - Dues & Subscriptions *	1,429.00	1.3	167	1,262	1,429.00	0.2	1,000	429	2,000	571
710 - Meetings	0.00	0.0	292	(292)	2,041.51	0.3	1,750	292	3,500	1,458
715 - Office & Administration	463.96	0.4	500	(36)	2,362.27	0.3	3,000	(638)	6,000	3,638
715.1 - Office/Admin - Site Office	62.01	0.1	150	(88)	662.11	0.1	900	(238)	1,800	1,138
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	300	(300)	600	600
715.3 - Office/Rec Area WiFi	116.02	0.1	120	(4)	685.70	0.1	720	(34)	1,440	754
720 - Operating Supplies *	349.21	0.3	250	99	1,439.37	0.2	1,500	(61)	3,000	1,561
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>1,860.00</u>	<u>0.3</u>	<u>1,860</u>	<u>0</u>	<u>3,720</u>	<u>1,860</u>
Total Administration Exp	2,730.20	2.4	1,849	881	10,479.96	1.5	11,090	(610)	22,180	11,700
Employee Costs										
610 - Auto *	118.82	0.1	100	19	574.31	0.1	600	(26)	1,200	626
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	300	(300)	600	600
653 - Emp/Ben.-Medical *	1,343.98	1.2	1,285	59	7,498.68	1.1	7,707	(208)	15,415	7,916
780 - Salaries & Wages	13,192.28	11.6	13,180	12	79,007.95	11.2	79,080	(72)	158,160	79,152
801 - P/R Ins. - TDI & WC *	2,770.83	2.4	401	2,370	5,081.57	0.7	2,404	2,678	4,808	(274)
802 - Taxes - Payroll *	1,538.22	1.4	1,328	210	9,296.36	1.3	7,969	1,327	15,938	6,642
812 - Uniforms	<u>0.00</u>	<u>0.0</u>	<u>17</u>	<u>(17)</u>	<u>40.86</u>	<u>0.0</u>	<u>100</u>	<u>(59)</u>	<u>200</u>	<u>159</u>
Total Employee Costs	18,964.13	16.7	16,361	2,603	101,499.73	14.3	98,160	3,340	196,321	94,821
Insurance Expense										
677 - Ins. - Bond	45.33	0.0	50	(5)	267.34	0.0	300	(33)	600	333
678 - Ins. Business Interruption	136.42	0.1	167	(31)	272.84	0.0	1,000	(727)	2,000	1,727
679 - Ins. - Dir./Officers	1,531.58	1.3	1,249	283	12,589.16	1.8	7,491	5,098	14,982	2,393
680 - Ins. - Package	4,978.08	4.4	5,542	(564)	29,207.84	4.1	33,250	(4,042)	66,500	37,292
683 - Ins. - CGL	340.08	0.3	342	(2)	2,036.16	0.3	2,050	(14)	4,100	2,064
684 - Ins. - Umbrella	<u>246.17</u>	<u>0.2</u>	<u>225</u>	<u>21</u>	<u>1,292.34</u>	<u>0.2</u>	<u>1,350</u>	<u>(58)</u>	<u>2,700</u>	<u>1,408</u>
Total Insurance Expenses	7,277.66	6.4	7,575	(297)	45,665.68	6.4	45,441	225	90,882	45,216

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 2023

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Professional Services										
705 - Management Fee	3,458.00	3.0	3,458	0	20,748.00	2.9	20,748	0	41,496	20,748
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	4.41	0.0	2,316	(2,312)	4,631	4,627
732 - Prof.Svc.- Legal *	1,057.28	0.9	417	640	1,364.57	0.2	2,500	(1,135)	5,000	3,635
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	2,500	(2,500)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	<u>0.00</u>	<u>0.0</u>	<u>82</u>	<u>(82)</u>	<u>0.00</u>	<u>0.0</u>	<u>494</u>	<u>(494)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	4,515.28	4.0	4,760	(245)	22,116.98	3.1	28,558	(6,441)	57,115	34,998
Repairs & Maint Expenses										
746 - R/M - Buildings	205.78	0.2	1,250	(1,044)	2,727.70	0.4	7,500	(4,772)	15,000	12,272
750 - R/M - Equipment *	348.95	0.3	250	99	1,250.72	0.2	1,500	(249)	3,000	1,749
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,541.66	0.2	1,200	342	2,400	858
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	822.91	0.1	750	73	1,500	677
754 - R/M - Grounds	0.00	0.0	83	(83)	266.61	0.0	500	(233)	1,000	733
755 - R/M - Grounds Contractor	23,800.00	20.9	23,893	(93)	142,800.00	20.2	143,358	(558)	286,716	143,916
756 - R/M - Irrigation	390.37	0.3	667	(277)	1,377.82	0.2	4,000	(2,622)	8,000	6,622
760 - R/M - Pest Control *	1,597.91	1.4	583	1,015	4,793.73	0.7	3,495	1,299	6,991	2,197
762 - R/M - Pool, Spa, BBQ	1,867.52	1.6	2,467	(599)	14,264.94	2.0	14,800	(535)	29,600	15,335
764 - R/M - Refuse Collection	1,540.84	1.4	1,656	(115)	9,245.04	1.3	9,937	(692)	19,874	10,629
764.1 - R/M - Recycling	770.53	0.7	857	(86)	4,623.18	0.7	5,142	(519)	10,283	5,660
767 - R/M - Security Contract	<u>1,294.79</u>	<u>1.1</u>	<u>1,354</u>	<u>(59)</u>	<u>7,887.51</u>	<u>1.1</u>	<u>8,125</u>	<u>(237)</u>	<u>16,250</u>	<u>8,362</u>
Total Repairs & Maint Exp	31,816.69	28.0	33,385	(1,568)	191,601.82	27.0	200,307	(8,705)	400,614	209,012
Tax Expenses										
796 - Taxes - Gen. Excise	56.71	0.0	110	(53)	1,367.07	0.2	662	705	1,324	(43)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	6,000	(6,000)	12,000	12,000
945 - State Income Taxes	<u>0.00</u>	<u>0.0</u>	<u>146</u>	<u>(146)</u>	<u>0.00</u>	<u>0.0</u>	<u>875</u>	<u>(875)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	56.71	0.0	1,256	(1,199)	1,367.07	0.2	7,537	(6,170)	15,074	13,707
Utility Expense										
826 - Util. - Cable TV	6,035.82	5.3	6,311	(275)	30,527.73	4.3	37,866	(7,338)	75,732	45,204
826.1 - Util. - HUI Participation Fe	226.88	0.2	0	227	508.65	0.1	0	509	0	(509)
828 - Util. - Electric	1,739.64	1.5	2,211	(471)	13,001.69	1.8	13,266	(264)	26,533	13,531
830 - Util. - Gas	0.00	0.0	50	(50)	296.38	0.0	300	(4)	600	304
832 - Util. - Sewer *	5,686.50	5.0	5,482	205	32,014.50	4.5	32,894	(880)	65,787	33,773
834 - Util. - Telephone *	283.32	0.2	250	33	1,642.45	0.2	1,500	142	3,000	1,358
838 - Util. - Water *	<u>13,025.05</u>	<u>11.4</u>	<u>12,147</u>	<u>878</u>	<u>54,597.16</u>	<u>7.7</u>	<u>72,882</u>	<u>(18,285)</u>	<u>145,763</u>	<u>91,166</u>
Total Utility Expenses	26,997.21	23.7	26,451	546	132,588.56	18.7	158,708	(26,119)	317,415	184,826
Reserves & Other Exp										
915 - Capital Reserves	23,100.54	20.3	23,101	(0)	138,603.24	19.6	138,603	0	277,206	138,603
916 - Reserves Interest	<u>503.45</u>	<u>0.4</u>	<u>1,208</u>	<u>(705)</u>	<u>6,905.28</u>	<u>1.0</u>	<u>7,250</u>	<u>(345)</u>	<u>14,500</u>	<u>7,595</u>
Total Reserve & Other Exp	23,603.99	20.7	24,309	(705)	145,508.52	20.5	145,853	(344)	291,706	146,197
Total Operating Expenses and Reserve Allocation										
Total Operating Expenses and Reserve Allocation	115,961.87	101.	115,946	16	650,828.32	91.9	695,654	(44,826)	1,391,307	740,479
Total Revenue Over Exp	<u>(2,166.11)</u>	<u>(1.9)</u>	<u>(643)</u>	<u>(1,523)</u>	57,653.95	8.1	<u>(3,834)</u>	61,488	<u>(7,667)</u>	<u>(65,321)</u>
Beginning Members' Equity					<u>249,598.45</u>					
Ending Members' Equity					<u><u>307,252.40</u></u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 6 Months Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (2,166.11)	\$ 57,653.95
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	1,860.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(1,044.79)	(6,119.72)
Prepays	7,715.24	(51,525.91)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(10,215.01)	(31,674.17)
Accrued Liabilities	(253.26)	24,851.89
Total Adjustments	<u>(3,487.82)</u>	<u>(62,607.91)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(5,653.93)</u>	<u>(4,953.96)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash Provided By (Used In) Financing Activities	<u>0.00</u>	<u>0.00</u>
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(5,653.93) (4,953.96)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

284,930.94 284,230.97

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 279,277.01 \$ 279,277.01