



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 Seven Months Ended
July 31, 2023

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I have prepared the accompanying Balance Sheet – Tax Basis as of July 31, 2023, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Seven 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
July 31, 2023 and 2022

Assets

	2023	2022
CURRENT ASSETS		
Ckg - FCB *****1241	\$ 164,478.29	\$ 32,377.50
Ckg - FCB Debit Card ****4202	2,859.60	2,798.92
MMkt - FCB Savings *****2119	<u>132,320.27</u>	<u>231,514.42</u>
Subtotal - Cash	<u>299,658.16</u>	<u>266,690.84</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	14,302.68	2,264.04
A/R - Prior & Collection	0.00	29,734.22
Allowance for Bad Debts	<u>0.00</u>	<u>(21,723.26)</u>
Subtotal - Accounts Receivable	<u>14,302.68</u>	<u>10,275.00</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	4,982.00	6,076.00
Prepaid State Income Tax	1,176.00	1,341.00
Prepaid Medical	1,168.71	0.00
Unexpired Insurance	68,124.50	57,137.93
NJF Clearing Account	<u>0.00</u>	<u>96,122.73</u>
Subtotal - Other Current Assets	<u>75,451.21</u>	<u>160,677.66</u>
TOTAL CURRENT ASSETS	<u>389,412.05</u>	<u>437,643.50</u>
CAPITAL RESERVE ACCOUNTS		
First Citizens Bank	1,146,608.40	1,468,801.77
Edward Jones	<u>1,016,618.49</u>	<u>600,034.58</u>
Subtotal - Capital Reserves	<u>2,163,226.89</u>	<u>2,068,836.35</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(30,380.00)</u>	<u>(26,660.00)</u>
Subtotal - Fixed Assets	<u>44,020.00</u>	<u>47,740.00</u>
TOTAL OTHER ASSETS	<u>2,207,246.89</u>	<u>2,116,576.35</u>
TOTAL ASSETS	<u>\$ 2,596,658.94</u>	<u>\$ 2,554,219.85</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
July 31, 2023 and 2022**

Liabilities and Fund Balances

	2023	2022
CURRENT LIABILITIES		
A/P - Trade	\$ 38,531.84	\$ 25,101.83
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	75.00	209.29
Owner Prepayments	55,519.34	49,896.06
A/P - NJF Units	0.00	96,122.73
A/P - Insurance	26,030.00	31,442.00
Accrued General Excise Tx	<u>520.60</u>	<u>62.31</u>
Subtotal - Current Liabilities	<u>129,542.05</u>	<u>211,699.49</u>
TOTAL CURRENT LIABILITIES	<u>129,542.05</u>	<u>211,699.49</u>
TOTAL LIABILITIES	<u>129,542.05</u>	<u>211,699.49</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	303,890.00	273,684.01
Restricted Members' Equity	<u>2,163,226.89</u>	<u>2,068,836.35</u>
Subtotal Members' Equity	<u>2,467,116.89</u>	<u>2,342,520.36</u>
TOTAL MEMBERS' EQUITY	<u>2,467,116.89</u>	<u>2,342,520.36</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,596,658.94</u></u>	<u><u>\$ 2,554,219.85</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2023

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	89,277.46	71.2	89,277	0	624,942.22	74.9	624,942	0	1,071,330	446,388
406 - Capital Reserve	23,100.54	18.4	23,101	(0)	161,703.78	19.4	161,704	(0)	277,206	115,502
415 - Delinquent Owners Late Fee	165.00	0.1	150	15	1,263.14	0.2	1,050	213	1,800	537
416 - Delinquent Owners Interest	133.00	0.1	17	116	848.66	0.1	119	730	204	(645)
418 - Insurance Evidence Fine	0.00	0.0	0	0	300.00	0.0	0	300	0	(300)
420 - Tenant Information Form	0.00	0.0	0	0	150.00	0.0	0	150	0	(150)
425 - House Rule Violations	<u>100.00</u>	<u>0.1</u>	<u>167</u>	<u>(67)</u>	<u>11,400.00</u>	<u>1.4</u>	<u>1,167</u>	<u>10,233</u>	<u>2,000</u>	<u>(9,400)</u>
Total Membership Income	112,776.00	89.9	112,712	64	800,607.80	96.0	788,982	11,626	1,352,540	551,932
Non-Membership Income										
430 - Interest Income	46.96	0.0	208	(161)	327.15	0.0	1,458	(1,131)	2,500	2,173
431 - Reserve Interest Income	11,759.99	9.4	1,208	10,552	18,665.27	2.2	8,458	10,207	14,500	(4,165)
441 - Kayak Rack Rental	810.00	0.6	167	643	2,085.00	0.3	1,167	918	2,000	(85)
499 - Other Income	0.00	0.0	8	(8)	90.00	0.0	58	32	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>1.5</u>	<u>7,000</u>	<u>5,100</u>	<u>12,000</u>	<u>(100)</u>
Total Non-Membership Income	12,616.95	10.1	2,591	10,026	33,267.42	4.0	18,141	15,126	31,100	(2,167)
Total Revenues	125,392.95	100.	115,303	10,090	833,875.22	100.	807,123	26,752	1,383,640	549,765
Operating Expenses										
Administration Expenses										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	0.00	0.0	70	(70)	120	120
645 - Dues & Subscriptions	125.00	0.1	167	(42)	1,554.00	0.2	1,167	387	2,000	446
710 - Meetings	0.00	0.0	292	(292)	2,041.51	0.2	2,042	(0)	3,500	1,458
715 - Office & Administration *	761.12	0.6	500	261	3,123.39	0.4	3,500	(377)	6,000	2,877
715.1 - Office/Admin - Site Office	86.94	0.1	150	(63)	749.05	0.1	1,050	(301)	1,800	1,051
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	350	(350)	600	600
715.3 - Office/Rec Area WiFi	116.02	0.1	120	(4)	801.72	0.1	840	(38)	1,440	638
720 - Operating Supplies *	277.91	0.2	250	28	1,717.28	0.2	1,750	(33)	3,000	1,283
910 - Depreciation	<u>310.00</u>	<u>0.2</u>	<u>310</u>	<u>0</u>	<u>2,170.00</u>	<u>0.3</u>	<u>2,170</u>	<u>0</u>	<u>3,720</u>	<u>1,550</u>
Total Administration Exp	1,676.99	1.3	1,849	(172)	12,156.95	1.5	12,939	(782)	22,180	10,023
Employee Costs										
610 - Auto	56.98	0.0	100	(43)	631.29	0.1	700	(69)	1,200	569
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	350	(350)	600	600
653 - Emp/Ben.-Medical	1,202.68	1.0	1,285	(82)	8,701.36	1.0	8,992	(291)	15,415	6,714
780 - Salaries & Wages	12,622.71	10.1	13,180	(557)	91,630.66	11.0	92,260	(629)	158,160	66,529
801 - P/R Ins. - TDI & *	437.58	0.3	401	37	5,519.15	0.7	2,805	2,714	4,808	(711)
802 - Taxes - Payroll *	1,376.78	1.1	1,328	49	10,673.14	1.3	9,297	1,376	15,938	5,265
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>117</u>	<u>(76)</u>	<u>200</u>	<u>159</u>
Total Employee Costs	15,696.73	12.5	16,361	(664)	117,196.46	14.1	114,521	2,675	196,321	79,125
Insurance Expense										
677 - Ins. - Bond	45.33	0.0	50	(5)	312.67	0.0	350	(37)	600	287
678 - Ins. Business Interruption	136.42	0.1	167	(31)	409.26	0.0	1,167	(758)	2,000	1,591
679 - Ins. - Dir./Officers	1,531.58	1.2	1,249	283	14,120.74	1.7	8,740	5,381	14,982	861
680 - Ins. - Package	4,978.08	4.0	5,542	(564)	34,185.92	4.1	38,792	(4,606)	66,500	32,314
683 - Ins. - CGL	340.08	0.3	342	(2)	2,376.24	0.3	2,392	(16)	4,100	1,724
684 - Ins. - Umbrella	<u>246.17</u>	<u>0.2</u>	<u>225</u>	<u>21</u>	<u>1,538.51</u>	<u>0.2</u>	<u>1,575</u>	<u>(36)</u>	<u>2,700</u>	<u>1,161</u>
Total Insurance Expenses	7,277.66	5.8	7,575	(297)	52,943.34	6.3	53,016	(73)	90,882	37,939

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2023

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Professional Services										
705 - Management Fee	3,458.00	2.8	3,458	0	24,206.00	2.9	24,206	0	41,496	17,290
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	4.41	0.0	2,701	(2,697)	4,631	4,627
732 - Prof.Svc.- Legal	182.29	0.1	417	(235)	1,546.86	0.2	2,917	(1,370)	5,000	3,453
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	2,917	(2,917)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	576	(576)	988	988
Total Professional Exp	<u>3,640.29</u>	<u>2.9</u>	<u>4,760</u>	<u>(1,120)</u>	<u>25,757.27</u>	<u>3.1</u>	<u>33,317</u>	<u>(7,560)</u>	<u>57,115</u>	<u>31,358</u>
Repairs & Maint Expenses										
746 - R/M - Buildings	987.21	0.8	1,250	(263)	3,714.91	0.4	8,750	(5,035)	15,000	11,285
750 - R/M - Equipment	177.02	0.1	250	(73)	1,427.74	0.2	1,750	(322)	3,000	1,572
752 - R/M - Fire Equip. *	264.00	0.2	200	64	1,805.66	0.2	1,400	406	2,400	594
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	822.91	0.1	875	(52)	1,500	677
754 - R/M - Grounds *	202.83	0.2	83	120	469.44	0.1	583	(114)	1,000	531
755 - R/M - Grounds Contractor	23,800.00	19.0	23,893	(93)	166,600.00	20.0	167,251	(651)	286,716	120,116
756 - R/M - Irrigation *	1,015.47	0.8	667	348	2,393.29	0.3	4,667	(2,274)	8,000	5,607
760 - R/M - Pest Control	0.00	0.0	583	(583)	4,793.73	0.6	4,078	716	6,991	2,197
762 - R/M - Pool, Spa, BBQ *	4,429.52	3.5	2,467	1,963	18,694.46	2.2	17,267	1,427	29,600	10,906
764 - R/M - Refuse Collection	1,590.31	1.3	1,656	(66)	10,835.35	1.3	11,593	(758)	19,874	9,039
764.1 - R/M - Recycling	721.09	0.6	857	(136)	5,344.27	0.6	5,998	(654)	10,283	4,939
767 - R/M - Security Contract	1,250.26	1.0	1,354	(104)	9,137.77	1.1	9,479	(341)	16,250	7,112
Total Repairs & Maint Exp	<u>34,437.71</u>	<u>27.5</u>	<u>33,385</u>	<u>1,053</u>	<u>226,039.53</u>	<u>27.1</u>	<u>233,691</u>	<u>(7,651)</u>	<u>400,614</u>	<u>174,574</u>
Tax Expenses										
796 - Taxes - Gen. Excise *	522.14	0.4	110	412	1,889.21	0.2	772	1,117	1,324	(565)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	7,000	(7,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	1,021	(1,021)	1,750	1,750
Total Tax Expenses	<u>522.14</u>	<u>0.4</u>	<u>1,256</u>	<u>(734)</u>	<u>1,889.21</u>	<u>0.2</u>	<u>8,793</u>	<u>(6,904)</u>	<u>15,074</u>	<u>13,185</u>
Utility Expense										
826 - Util. - Cable TV	6,040.13	4.8	6,311	(271)	36,567.86	4.4	44,177	(7,609)	75,732	39,164
826.1 - Util. - HUI Participation Fe	226.88	0.2	0	227	735.53	0.1	0	736	0	(736)
828 - Util. - Electric	1,899.23	1.5	2,211	(312)	14,900.92	1.8	15,478	(577)	26,533	11,632
830 - Util. - Gas	0.00	0.0	50	(50)	296.38	0.0	350	(54)	600	304
832 - Util. - Sewer *	5,619.56	4.5	5,482	138	37,634.06	4.5	38,376	(742)	65,787	28,153
834 - Util. - Telephone *	267.60	0.2	250	18	1,910.05	0.2	1,750	160	3,000	1,090
838 - Util. - Water *	16,589.90	13.2	12,147	4,443	71,187.06	8.5	85,028	(13,841)	145,763	74,576
Total Utility Expenses	<u>30,643.30</u>	<u>24.4</u>	<u>26,451</u>	<u>4,192</u>	<u>163,231.86</u>	<u>19.6</u>	<u>185,159</u>	<u>(21,927)</u>	<u>317,415</u>	<u>154,183</u>
Reserves & Other Exp										
915 - Capital Reserves	23,100.54	18.4	23,101	(0)	161,703.78	19.4	161,704	(0)	277,206	115,502
916 - Reserves Interest	11,759.99	9.4	1,208	10,552	18,665.27	2.2	8,458	10,207	14,500	(4,165)
Total Reserve & Other Exp	<u>34,860.53</u>	<u>27.8</u>	<u>24,309</u>	<u>10,552</u>	<u>180,369.05</u>	<u>21.6</u>	<u>170,162</u>	<u>10,207</u>	<u>291,706</u>	<u>111,337</u>
Total Operating Expenses and Reserve Allocation										
Total Revenue Over Exp	<u>128,755.35</u>	<u>102.</u>	<u>115,946</u>	<u>12,809</u>	<u>779,583.67</u>	<u>93.5</u>	<u>811,598</u>	<u>(32,014)</u>	<u>1,391,307</u>	<u>611,723</u>
	<u>(3,362.40)</u>	<u>(2.7)</u>	<u>(643)</u>	<u>(2,719)</u>	<u>54,291.55</u>	<u>6.5</u>	<u>(4,475)</u>	<u>58,767</u>	<u>(7,667)</u>	<u>(61,959)</u>
Beginning Members' Equity					<u>249,598.45</u>					
Ending Members' Equity					<u>303,890.00</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 7 Months Ended July 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (3,362.40)	\$ 54,291.55
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,170.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(606.34)	(6,726.06)
Prepays	6,546.53	(44,979.38)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	24,128.52	(7,545.65)
Accrued Liabilities	(6,635.16)	18,216.73
Total Adjustments	<u>23,743.55</u>	<u>(38,864.36)</u>
Net Cash Provided By (Used in) Operating Activities	<u>20,381.15</u>	<u>15,427.19</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

20,381.15 15,427.19

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

279,277.01 284,230.97

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 299,658.16 \$ 299,658.16