



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 Eight Months Ended

August 31, 2023

Table of Contents

	Page
Financial Statements	
Balance Sheet – Tax Basis	1-2
Income Statement and Changes in Members' Equity – Tax Basis	3-4
Statement of Cash Flows – Tax Basis	5

I have prepared the accompanying Balance Sheet – Tax Basis as of August 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 Eight 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
August 31, 2023 and 2022**

Assets

	2023	2022
CURRENT ASSETS		
Ckg - FCB *****1241	\$ 156,230.92	\$ 32,739.62
Ckg - FCB Debit Card ****4202	2,893.95	1,732.83
MMkt - FCB Savings *****2119	<u>132,459.63</u>	<u>231,683.27</u>
Subtotal - Cash	<u>291,584.50</u>	<u>266,155.72</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	15,562.66	5,162.81
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>0.00</u>	<u>909.17</u>
Subtotal - Accounts Receivable	<u>15,562.66</u>	<u>14,082.94</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	60,409.26	50,677.51
NJF Clearing Account	<u>0.00</u>	<u>96,122.73</u>
Subtotal - Other Current Assets	<u>67,735.97</u>	<u>154,217.24</u>
TOTAL CURRENT ASSETS	<u>374,883.13</u>	<u>434,455.90</u>
CAPITAL RESERVE ACCOUNTS		
First Citizens Bank	1,152,112.44	1,483,600.21
Edward Jones	<u>1,022,048.47</u>	<u>600,501.70</u>
Subtotal - Capital Reserves	<u>2,174,160.91</u>	<u>2,084,101.91</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(30,690.00)</u>	<u>(26,970.00)</u>
Subtotal - Fixed Assets	<u>43,710.00</u>	<u>47,430.00</u>
TOTAL OTHER ASSETS	<u>2,217,870.91</u>	<u>2,131,531.91</u>
TOTAL ASSETS	<u>\$ 2,592,754.04</u>	<u>\$ 2,565,987.81</u>

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

Liabilities and Fund Balances

	2023	2022
CURRENT LIABILITIES		
A/P - Trade	\$ 28,419.37	\$ 25,436.46
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	75.00	209.29
Owner Prepayments	52,290.84	50,318.61
A/P - NJF Units	0.00	96,122.73
A/P - Insurance	26,030.00	26,806.00
Accrued General Excise Tx	<u>802.19</u>	<u>155.56</u>
Subtotal - Current Liabilities	<u>116,482.67</u>	<u>207,913.92</u>
TOTAL CURRENT LIABILITIES	<u>116,482.67</u>	<u>207,913.92</u>
TOTAL LIABILITIES	<u>116,482.67</u>	<u>207,913.92</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	301,510.46	273,971.98
Restricted Members' Equity	<u>2,174,760.91</u>	<u>2,084,101.91</u>
Subtotal Members' Equity	<u>2,476,271.37</u>	<u>2,358,073.89</u>
TOTAL MEMBERS' EQUITY	<u>2,476,271.37</u>	<u>2,358,073.89</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,592,754.04</u></u>	<u><u>\$ 2,565,987.81</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 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	74.8	89,277	0	714,219.68	74.9	714,220	(0)	1,071,330	357,110
406 - Capital Reserve	23,100.54	19.3	23,101	(0)	184,804.32	19.4	184,804	0	277,206	92,402
415 - Delinquent Owners Late Fee	165.00	0.1	150	15	1,428.14	0.1	1,200	228	1,800	372
416 - Delinquent Owners Interest	144.15	0.1	17	127	992.81	0.1	136	857	204	(789)
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>1,200.00</u>	<u>1.0</u>	<u>167</u>	<u>1,033</u>	<u>12,600.00</u>	<u>1.3</u>	<u>1,333</u>	<u>11,267</u>	<u>2,000</u>	<u>(10,600)</u>
Total Membership Income	113,887.15	95.4	112,712	1,175	914,494.95	95.9	901,693	12,802	1,352,540	438,045
Non-Membership Income										
430 - Interest Income	47.11	0.0	208	(161)	374.26	0.0	1,667	(1,293)	2,500	2,126
431 - Reserve Interest Income	5,483.48	4.6	1,208	4,275	24,148.75	2.5	9,667	14,482	14,500	(9,649)
441 - Kayak Rack Rental	0.00	0.0	167	(167)	2,085.00	0.2	1,333	752	2,000	(85)
499 - Other Income	0.00	0.0	8	(8)	90.00	0.0	67	23	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>1.3</u>	<u>8,000</u>	<u>4,100</u>	<u>12,000</u>	<u>(100)</u>
Total Non-Membership Income	5,530.59	4.6	2,591	2,940	38,798.01	4.1	20,734	18,064	31,100	(7,698)
Total Revenues	119,417.74	100.	115,303	4,115	953,292.96	100.	922,427	30,866	1,383,640	430,347
Operating Expenses										
Administration Expenses										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	0.00	0.0	80	(80)	120	120
645 - Dues & Subscriptions	149.00	0.1	167	(18)	1,703.00	0.2	1,333	370	2,000	297
710 - Meetings *	437.49	0.4	292	145	2,479.00	0.3	2,333	146	3,500	1,021
715 - Office & Administration	425.40	0.4	500	(75)	3,548.79	0.4	4,000	(451)	6,000	2,451
715.1 - Office/Admin - Site Office	96.93	0.1	150	(53)	845.98	0.1	1,200	(354)	1,800	954
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	400	(400)	600	600
715.3 - Office/Rec Area WiFi	5.21	0.0	120	(115)	806.93	0.1	960	(153)	1,440	633
720 - Operating Supplies	136.25	0.1	250	(114)	1,853.53	0.2	2,000	(146)	3,000	1,146
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>2,480.00</u>	<u>0.3</u>	<u>2,480</u>	<u>0</u>	<u>3,720</u>	<u>1,240</u>
Total Administration Exp	1,560.28	1.3	1,849	(289)	13,717.23	1.4	14,786	(1,069)	22,180	8,463
Employee Costs										
610 - Auto *	102.18	0.1	100	2	733.47	0.1	800	(67)	1,200	467
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	400	(400)	600	600
653 - Emp/Ben.-Medical	1,202.68	1.0	1,285	(82)	9,904.04	1.0	10,277	(373)	15,415	5,511
780 - Salaries & Wages	13,023.66	10.9	13,180	(156)	104,654.32	11.0	105,440	(786)	158,160	53,506
801 - P/R Ins. - TDI & WC *	437.58	0.4	401	37	5,956.73	0.6	3,205	2,752	4,808	(1,149)
802 - Taxes - Payroll	1,176.05	1.0	1,328	(152)	11,849.19	1.2	10,625	1,224	15,938	4,089
812 - Uniforms *	<u>93.60</u>	<u>0.1</u>	<u>17</u>	<u>77</u>	<u>134.46</u>	<u>0.0</u>	<u>133</u>	<u>1</u>	<u>200</u>	<u>66</u>
Total Employee Costs	16,035.75	13.4	16,361	(325)	133,232.21	14.0	130,880	2,352	196,321	63,089
Insurance Expense										
677 - Ins. - Bond	45.33	0.0	50	(5)	358.00	0.0	400	(42)	600	242
678 - Ins. Business Interruption	136.42	0.1	167	(31)	545.68	0.1	1,333	(787)	2,000	1,454
679 - Ins. - Dir./Officers	1,531.58	1.3	1,249	283	15,652.32	1.6	9,988	5,664	14,982	(670)
680 - Ins. - Package	4,978.08	4.2	5,542	(564)	39,164.00	4.1	44,333	(5,169)	66,500	27,336
683 - Ins. - CGL	340.08	0.3	342	(2)	2,716.32	0.3	2,733	(17)	4,100	1,384
684 - Ins. - Umbrella	<u>246.17</u>	<u>0.2</u>	<u>225</u>	<u>21</u>	<u>1,784.68</u>	<u>0.2</u>	<u>1,800</u>	<u>(15)</u>	<u>2,700</u>	<u>915</u>
Total Insurance Expenses	7,277.66	6.1	7,575	(297)	60,221.00	6.3	60,587	(366)	90,882	30,661

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 31, 2023

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Professional Services										
705 - Management Fee	3,458.00	2.9	3,458	0	27,664.00	2.9	27,664	0	41,496	13,832
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	4.41	0.0	3,087	(3,083)	4,631	4,627
732 - Prof.Svc.- Legal *	2,296.86	1.9	417	1,880	3,843.72	0.4	3,333	511	5,000	1,156
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	3,333	(3,333)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	659	(659)	988	988
Total Professional Exp	<u>5,754.86</u>	<u>4.8</u>	<u>4,760</u>	<u>995</u>	<u>31,512.13</u>	<u>3.3</u>	<u>38,076</u>	<u>(6,564)</u>	<u>57,115</u>	<u>25,603</u>
Repairs & Maint Expenses										
746 - R/M - Buildings	493.38	0.4	1,250	(757)	4,208.29	0.4	10,000	(5,792)	15,000	10,792
750 - R/M - Equipment	89.52	0.1	250	(160)	1,517.26	0.2	2,000	(483)	3,000	1,483
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,805.66	0.2	1,600	206	2,400	594
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	822.91	0.1	1,000	(177)	1,500	677
754 - R/M - Grounds	0.00	0.0	83	(83)	469.44	0.0	667	(198)	1,000	531
755 - R/M - Grounds Contractor	23,800.00	19.9	23,893	(93)	190,400.00	20.0	191,144	(744)	286,716	96,316
756 - R/M - Irrigation	470.10	0.4	667	(197)	2,863.39	0.3	5,333	(2,470)	8,000	5,137
760 - R/M - Pest Control	0.00	0.0	583	(583)	4,793.73	0.5	4,661	133	6,991	2,197
762 - R/M - Pool, Spa, BBQ *	2,862.24	2.4	2,467	395	21,556.70	2.3	19,733	1,824	29,600	8,043
764 - R/M - Refuse Collection	1,590.31	1.3	1,656	(66)	12,425.66	1.3	13,249	(823)	19,874	7,448
764.1 - R/M - Recycling	721.09	0.6	857	(136)	6,065.36	0.6	6,855	(790)	10,283	4,218
767 - R/M - Security Contract	1,354.17	1.1	1,354	0	10,491.94	1.1	10,833	(341)	16,250	5,758
Total Repairs & Maint Exp	<u>31,380.81</u>	<u>26.3</u>	<u>33,385</u>	<u>(2,004)</u>	<u>257,420.34</u>	<u>27.0</u>	<u>267,075</u>	<u>(9,655)</u>	<u>400,614</u>	<u>143,194</u>
Tax Expenses										
796 - Taxes - Gen. Excise *	281.59	0.2	110	172	2,170.80	0.2	883	1,288	1,324	(847)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	8,000	(8,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	1,167	(1,167)	1,750	1,750
Total Tax Expenses	<u>281.59</u>	<u>0.2</u>	<u>1,256</u>	<u>(974)</u>	<u>2,170.80</u>	<u>0.2</u>	<u>10,050</u>	<u>(7,879)</u>	<u>15,074</u>	<u>12,903</u>
Utility Expense										
826 - Util. - Cable TV	6,035.82	5.1	6,311	(275)	42,603.68	4.5	50,488	(7,884)	75,732	33,128
826.1 - Util. - HUI Participation Fe	113.44	0.1	0	113	848.97	0.1	0	849	0	(849)
828 - Util. - Electric	1,674.00	1.4	2,211	(537)	16,574.92	1.7	17,689	(1,114)	26,533	9,958
830 - Util. - Gas *	155.99	0.1	50	106	452.37	0.0	400	52	600	148
832 - Util. - Sewer *	5,687.80	4.8	5,482	206	43,321.86	4.5	43,858	(536)	65,787	22,465
834 - Util. - Telephone *	282.73	0.2	250	33	2,192.78	0.2	2,000	193	3,000	807
838 - Util. - Water *	16,972.53	14.2	12,147	4,826	88,159.59	9.2	97,175	(9,015)	145,763	57,603
Total Utility Expenses	<u>30,922.31</u>	<u>25.9</u>	<u>26,451</u>	<u>4,471</u>	<u>194,154.17</u>	<u>20.4</u>	<u>211,610</u>	<u>(17,456)</u>	<u>317,415</u>	<u>123,261</u>
Reserves & Other Exp										
915 - Capital Reserves	23,100.54	19.3	23,101	(0)	184,804.32	19.4	184,804	0	277,206	92,402
916 - Reserves Interest	5,483.48	4.6	1,208	4,275	24,148.75	2.5	9,667	14,482	14,500	(9,649)
Total Reserve & Other Exp	<u>28,584.02</u>	<u>23.9</u>	<u>24,309</u>	<u>4,275</u>	<u>208,953.07</u>	<u>21.9</u>	<u>194,471</u>	<u>14,482</u>	<u>291,706</u>	<u>82,753</u>
Total Operating Expenses and Reserve Allocation										
Total Revenue Over Exp	<u>121,797.28</u>	<u>102.</u>	<u>115,946</u>	<u>5,851</u>	<u>901,380.95</u>	<u>94.6</u>	<u>927,535</u>	<u>(26,154)</u>	<u>1,391,307</u>	<u>489,926</u>
Total Revenue Over Exp	<u>(2,379.54)</u>	<u>(2.0)</u>	<u>(643)</u>	<u>(1,737)</u>	<u>51,912.01</u>	<u>5.4</u>	<u>(5,108)</u>	<u>57,020</u>	<u>(7,667)</u>	<u>(59,579)</u>
Beginning Members' Equity					<u>249,598.45</u>					
Ending Members' Equity					<u>301,510.46</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 8 Months Ended August 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (2,379.54)	\$ 51,912.01
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,480.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(1,259.98)	(7,986.04)
Prepays	7,715.24	(37,264.14)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(10,112.47)	(17,658.12)
Accrued Liabilities	(2,946.91)	15,269.82
Total Adjustments	<u>(6,294.12)</u>	<u>(45,158.48)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(8,673.66)</u>	<u>6,753.53</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Reserve Funds	<u>600.00</u>	<u>600.00</u>
Net Cash Provided By (Used In) Financing Activities	<u>600.00</u>	<u>600.00</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(8,073.66) 7,353.53

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

299,658.16 284,230.97

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 291,584.50 \$ 291,584.50