



**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 Nine Months Ended  
September 30, 2023

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I have prepared the accompanying Balance Sheet – Tax Basis as of September 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 Nine 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**  
**September 30, 2023 and 2022**

**Assets**

	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Ckg - FCB *****1241	\$ 167,942.85	\$ 38,612.58
Ckg - FCB Debit Card ****4202	1,518.77	1,526.17
MMkt - FCB Savings *****2119	<u>132,497.74</u>	<u>231,749.93</u>
<b>Subtotal - Cash</b>	<u>301,959.36</u>	<u>271,888.68</u>
<b>ACCOUNTS RECEIVABLES</b>		
A/R - Owners Balances	16,682.81	5,766.01
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>15.83</u>
<b>Subtotal - Accounts Receivable</b>	<u>16,682.81</u>	<u>13,792.80</u>
<b>OTHER CURRENT ASSETS</b>		
Prepaid Federal Income Tax	4,982.00	6,076.00
Prepaid State Income Tax	1,176.00	1,341.00
Unexpired Insurance	52,694.02	44,217.09
NJF Clearing Account	<u>0.00</u>	<u>96,122.73</u>
<b>Subtotal - Other Current Assets</b>	<u>58,852.02</u>	<u>147,756.82</u>
<b>TOTAL CURRENT ASSETS</b>	<u>377,494.19</u>	<u>433,438.30</u>
<b>CAPITAL RESERVE ACCOUNTS</b>		
First Citizens Bank	1,165,919.46	1,359,119.93
Edward Jones	<u>1,022,250.65</u>	<u>600,968.83</u>
<b>Subtotal - Capital Reserves</b>	<u>2,188,170.11</u>	<u>1,960,088.76</u>
<b>FIXED ASSETS</b>		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(31,000.00)</u>	<u>(27,280.00)</u>
<b>Subtotal - Fixed Assets</b>	<u>43,400.00</u>	<u>47,120.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,231,570.11</u>	<u>2,007,208.76</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,609,064.30</u>	<u>\$ 2,440,647.06</u>

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

**Liabilities and Fund Balances**

	<b>2023</b>	<b>2022</b>
<b>CURRENT LIABILITIES</b>		
A/P - Trade	\$ 49,051.84	\$ 29,263.24
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	75.00	209.29
Owner Prepayments	52,373.34	53,898.31
A/P - NJF Units	0.00	96,122.73
A/P - Insurance	16,458.00	16,146.00
Accrued General Excise Tx	<u>827.56</u>	<u>189.05</u>
<b>Subtotal - Current Liabilities</b>	<u>127,651.01</u>	<u>204,693.89</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>127,651.01</u>	<u>204,693.89</u>
<b>TOTAL LIABILITIES</b>	<u>127,651.01</u>	<u>204,693.89</u>
 <b>MEMBERS' EQUITY</b>		
Unrestricted Members' Equity	293,243.18	275,864.41
Restricted Members' Equity	<u>2,188,170.11</u>	<u>1,960,088.76</u>
<b>Subtotal Members' Equity</b>	<u>2,481,413.29</u>	<u>2,235,953.17</u>
<b>TOTAL MEMBERS' EQUITY</b>	<u>2,481,413.29</u>	<u>2,235,953.17</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u><u>\$ 2,609,064.30</u></u>	<u><u>\$ 2,440,647.06</u></u>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 9 Months Ended September 30, 2023**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Revenues</b>										
<b>Membership Income</b>										
405 - Maintenance Fees	89,277.46	79.0	89,277	0	803,497.14	75.4	803,497	0	1,071,330	267,833
406 - Capital Reserve	23,100.54	20.4	23,101	(0)	207,904.86	19.5	207,905	(0)	277,206	69,301
415 - Delinquent Owners Late Fee	82.50	0.1	150	(68)	1,510.64	0.1	1,350	161	1,800	289
416 - Delinquent Owners Interest	151.62	0.1	17	135	1,144.43	0.1	153	991	204	(940)
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>12,700.00</u>	<u>1.2</u>	<u>1,500</u>	<u>11,200</u>	<u>2,000</u>	<u>(10,700)</u>
<b>Total Membership Income</b>	<b>112,712.12</b>	<b>99.7</b>	<b>112,712</b>	<b>0</b>	<b>1,027,207.07</b>	<b>96.3</b>	<b>1,014,405</b>	<b>12,802</b>	<b>1,352,540</b>	<b>325,333</b>
<b>Non-Membership Income</b>										
430 - Interest Income	46.63	0.0	208	(161)	420.89	0.0	1,875	(1,454)	2,500	2,079
431 - Reserve Interest Income	253.39	0.2	1,208	(955)	24,402.14	2.3	10,875	13,527	14,500	(9,902)
441 - Kayak Rack Rental	0.00	0.0	167	(167)	2,085.00	0.2	1,500	585	2,000	(85)
499 - Other Income	0.00	0.0	8	(8)	90.00	0.0	75	15	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>1.1</u>	<u>9,000</u>	<u>3,100</u>	<u>12,000</u>	<u>(100)</u>
<b>Total Non-Membership Income</b>	<b>300.02</b>	<b>0.3</b>	<b>2,591</b>	<b>(2,291)</b>	<b>39,098.03</b>	<b>3.7</b>	<b>23,325</b>	<b>15,773</b>	<b>31,100</b>	<b>(7,998)</b>
<b>Total Revenues</b>	<b>113,012.14</b>	<b>100.</b>	<b>115,303</b>	<b>(2,291)</b>	<b>1,066,305.10</b>	<b>100.</b>	<b>1,037,730</b>	<b>28,575</b>	<b>1,383,640</b>	<b>317,335</b>
<b>Operating Expenses</b>										
<b>Administration Expenses</b>										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	0.00	0.0	90	(90)	120	120
645 - Dues & Subscriptions	0.00	0.0	167	(167)	1,703.00	0.2	1,500	203	2,000	297
710 - Meetings	0.00	0.0	292	(292)	2,479.00	0.2	2,625	(146)	3,500	1,021
715 - Office & Administration	427.10	0.4	500	(73)	3,975.89	0.4	4,500	(524)	6,000	2,024
715.1 - Office/Admin - Site Office	17.12	0.0	150	(133)	863.10	0.1	1,350	(487)	1,800	937
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	450	(450)	600	600
715.3 - Office/Rec Area WiFi	116.02	0.1	120	(4)	922.95	0.1	1,080	(157)	1,440	517
720 - Operating Supplies	72.13	0.1	250	(178)	1,925.66	0.2	2,250	(324)	3,000	1,074
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>2,790.00</u>	<u>0.3</u>	<u>2,790</u>	<u>0</u>	<u>3,720</u>	<u>930</u>
<b>Total Administration Exp</b>	<b>942.37</b>	<b>0.8</b>	<b>1,849</b>	<b>(907)</b>	<b>14,659.60</b>	<b>1.4</b>	<b>16,635</b>	<b>(1,975)</b>	<b>22,180</b>	<b>7,520</b>
<b>Employee Costs</b>										
610 - Auto *	166.64	0.1	100	67	900.11	0.1	900	0	1,200	300
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	450	(450)	600	600
653 - Emp/Ben.-Medical *	1,343.98	1.2	1,285	59	11,248.02	1.1	11,561	(313)	15,415	4,167
780 - Salaries & Wages	13,576.70	12.0	13,180	397	118,231.02	11.1	118,620	(389)	158,160	39,929
801 - P/R Ins. - TDI & WC *	661.97	0.6	401	261	6,618.70	0.6	3,606	3,013	4,808	(1,811)
802 - Taxes - Payroll	1,240.54	1.1	1,328	(87)	13,089.73	1.2	11,954	1,136	15,938	2,848
812 - Uniforms	<u>0.00</u>	<u>0.0</u>	<u>17</u>	<u>(17)</u>	<u>134.46</u>	<u>0.0</u>	<u>150</u>	<u>(16)</u>	<u>200</u>	<u>66</u>
<b>Total Employee Costs</b>	<b>16,989.83</b>	<b>15.0</b>	<b>16,361</b>	<b>629</b>	<b>150,222.04</b>	<b>14.1</b>	<b>147,241</b>	<b>2,981</b>	<b>196,321</b>	<b>46,099</b>
<b>Insurance Expense</b>										
677 - Ins. - Bond	45.33	0.0	50	(5)	403.33	0.0	450	(47)	600	197
678 - Ins. Business Interruption	136.42	0.1	167	(31)	682.10	0.1	1,500	(818)	2,000	1,318
679 - Ins. - Dir./Officers	1,531.58	1.4	1,249	283	17,183.90	1.6	11,237	5,947	14,982	(2,202)
680 - Ins. - Package	4,978.08	4.4	5,542	(564)	44,142.08	4.1	49,875	(5,733)	66,500	22,358
683 - Ins. - CGL	340.08	0.3	342	(2)	3,056.40	0.3	3,075	(19)	4,100	1,044
684 - Ins. - Umbrella	<u>246.17</u>	<u>0.2</u>	<u>225</u>	<u>21</u>	<u>2,030.85</u>	<u>0.2</u>	<u>2,025</u>	<u>6</u>	<u>2,700</u>	<u>669</u>
<b>Total Insurance Expenses</b>	<b>7,277.66</b>	<b>6.4</b>	<b>7,575</b>	<b>(297)</b>	<b>67,498.66</b>	<b>6.3</b>	<b>68,162</b>	<b>(663)</b>	<b>90,882</b>	<b>23,383</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 9 Months Ended September 30, 2023**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Professional Services</b>										
705 - Management Fee	3,458.00	3.1	3,458	0	31,122.00	2.9	31,122	0	41,496	10,374
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	4.41	0.0	3,473	(3,469)	4,631	4,627
732 - Prof.Svc.- Legal	291.66	0.3	417	(125)	4,135.38	0.4	3,750	385	5,000	865
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	3,750	(3,750)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	741	(741)	988	988
<b>Total Professional Exp</b>	<u>3,749.66</u>	<u>3.3</u>	<u>4,760</u>	<u>(1,010)</u>	<u>35,261.79</u>	<u>3.3</u>	<u>42,836</u>	<u>(7,574)</u>	<u>57,115</u>	<u>21,853</u>
<b>Repairs &amp; Maint Expenses</b>										
746 - R/M - Buildings	676.26	0.6	1,250	(574)	4,884.55	0.5	11,250	(6,365)	15,000	10,115
750 - R/M - Equipment	145.07	0.1	250	(105)	1,662.33	0.2	2,250	(588)	3,000	1,338
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,805.66	0.2	1,800	6	2,400	594
753 - R/M - Landscape Upgrades	162.76	0.1	125	38	985.67	0.1	1,125	(139)	1,500	514
754 - R/M - Grounds	57.07	0.1	83	(26)	526.51	0.0	750	(223)	1,000	473
755 - R/M - Grounds Contractor	23,800.00	21.1	23,893	(93)	214,200.00	20.1	215,037	(837)	286,716	72,516
756 - R/M - Irrigation	109.19	0.1	667	(558)	2,972.58	0.3	6,000	(3,027)	8,000	5,027
760 - R/M - Pest Control *	1,597.91	1.4	583	1,015	6,391.64	0.6	5,243	1,149	6,991	599
762 - R/M - Pool, Spa, BBQ *	2,556.41	2.3	2,467	89	24,113.11	2.3	22,200	1,913	29,600	5,487
764 - R/M - Refuse Collection	1,590.31	1.4	1,656	(66)	14,015.97	1.3	14,906	(890)	19,874	5,858
764.1 - R/M - Recycling	721.09	0.6	857	(136)	6,786.45	0.6	7,712	(926)	10,283	3,497
767 - R/M - Security Contract	1,354.17	1.2	1,354	0	11,846.11	1.1	12,188	(342)	16,250	4,404
<b>Total Repairs &amp; Maint Exp</b>	<u>32,770.24</u>	<u>29.0</u>	<u>33,385</u>	<u>(615)</u>	<u>290,190.58</u>	<u>27.2</u>	<u>300,461</u>	<u>(10,270)</u>	<u>400,614</u>	<u>110,423</u>
<b>Tax Expenses</b>										
796 - Taxes - Gen. Excise	25.37	0.0	110	(85)	2,196.17	0.2	993	1,203	1,324	(872)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	9,000	(9,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	1,312	(1,312)	1,750	1,750
<b>Total Tax Expenses</b>	<u>25.37</u>	<u>0.0</u>	<u>1,256</u>	<u>(1,231)</u>	<u>2,196.17</u>	<u>0.2</u>	<u>11,305</u>	<u>(9,109)</u>	<u>15,074</u>	<u>12,878</u>
<b>Utility Expense</b>										
826 - Util. - Cable TV	5,916.53	5.2	6,311	(394)	48,520.21	4.6	56,799	(8,279)	75,732	27,212
826.1 - Util. - HUI Participation Fe	113.44	0.1	0	113	962.41	0.1	0	962	0	(962)
828 - Util. - Electric	1,885.54	1.7	2,211	(325)	18,460.46	1.7	19,900	(1,440)	26,533	8,073
830 - Util. - Gas	0.00	0.0	50	(50)	452.37	0.0	450	2	600	148
832 - Util. - Sewer *	5,743.00	5.1	5,482	261	49,064.86	4.6	49,340	(275)	65,787	16,722
834 - Util. - Telephone *	843.20	0.7	250	593	3,035.98	0.3	2,250	786	3,000	(36)
838 - Util. - Water *	21,668.65	19.2	12,147	9,522	109,828.24	10.3	109,322	506	145,763	35,935
<b>Total Utility Expenses</b>	<u>36,170.36</u>	<u>32.0</u>	<u>26,451</u>	<u>9,719</u>	<u>230,324.53</u>	<u>21.6</u>	<u>238,061</u>	<u>(7,736)</u>	<u>317,415</u>	<u>87,090</u>
<b>Reserves &amp; Other Exp</b>										
915 - Capital Reserves	23,100.54	20.4	23,101	(0)	207,904.86	19.5	207,905	(0)	277,206	69,301
916 - Reserves Interest	253.39	0.2	1,208	(955)	24,402.14	2.3	10,875	13,527	14,500	(9,902)
<b>Total Reserve &amp; Other Exp</b>	<u>23,353.93</u>	<u>20.7</u>	<u>24,309</u>	<u>(955)</u>	<u>232,307.00</u>	<u>21.8</u>	<u>218,780</u>	<u>13,527</u>	<u>291,706</u>	<u>59,399</u>
<b>Total Operating Expenses and Reserve Allocation</b>										
<b>Total Revenue Over Exp</b>	<u>121,279.42</u>	<u>107.</u>	<u>115,946</u>	<u>5,333</u>	<u>1,022,660.37</u>	<u>95.9</u>	<u>1,043,481</u>	<u>(20,821)</u>	<u>1,391,307</u>	<u>368,647</u>
	<u>(8,267.28)</u>	<u>(7.3)</u>	<u>(643)</u>	<u>(7,624)</u>	<u>43,644.73</u>	<u>4.1</u>	<u>(5,751)</u>	<u>49,396</u>	<u>(7,667)</u>	<u>(51,312)</u>
<b>Beginning Members' Equity</b>					<u>249,598.45</u>					
<b>Ending Members' Equity</b>					<u>293,243.18</u>					

**Wailea Fairway Villas Association**  
**Statement of Cash Flows - Tax Basis**  
**For the 1 Month and 9 Months Ended September 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (Loss)	\$ (8,267.28)	\$ 43,644.73
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,790.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(1,120.15)	(9,106.19)
Prepays	8,883.95	(28,380.19)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	20,632.47	2,974.35
Accrued Liabilities	(9,464.13)	5,805.69
Total Adjustments	<u>19,242.14</u>	<u>(25,916.34)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>10,974.86</u>	<u>17,728.39</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Reserve Funds	<u>(600.00)</u>	<u>0.00</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>	<u>(600.00)</u>	<u>0.00</u>

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

10,374.86                      17,728.39

**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**

291,584.50                      284,230.97

**CASH AND CASH EQUIVALENTS AT END OF PERIOD**

\$ 301,959.36                      \$ 301,959.36