



**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 Twelve Months Ended  
December 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 December 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 Twelve 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**  
**December 31, 2023 and 2022**

**Assets**

	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Ckg - FCB *****1241	\$ 149,585.42	\$ 150,697.58
Ckg - FCB Debit Card ****4202	2,528.77	1,581.80
MMkt - FCB Savings *****2119	<u>132,614.67</u>	<u>131,951.59</u>
<b>Subtotal - Cash</b>	<u>284,728.86</u>	<u>284,230.97</u>
<b>ACCOUNTS RECEIVABLES</b>		
A/R - Owners Balances	21,400.71	7,576.62
A/R - Prior & Collection	72.72	0.00
A/R - Missing Credit Card Receipts	<u>312.00</u>	<u>0.00</u>
<b>Subtotal - Accounts Receivable</b>	<u>21,785.43</u>	<u>7,576.62</u>
<b>OTHER CURRENT ASSETS</b>		
Prepaid Federal Income Tax	4,982.00	4,982.00
Prepaid State Income Tax	1,176.00	1,176.00
Unexpired Insurance	<u>29,548.30</u>	<u>24,313.83</u>
<b>Subtotal - Other Current Assets</b>	<u>35,706.30</u>	<u>30,471.83</u>
<b>TOTAL CURRENT ASSETS</b>	<u>342,220.59</u>	<u>322,279.42</u>
<b>CAPITAL RESERVE ACCOUNTS</b>		
First Citizens Bank	1,022,922.00	1,408,760.47
Edward Jones	<u>1,222,906.00</u>	<u>602,342.95</u>
<b>Subtotal - Capital Reserves</b>	<u>2,245,828.00</u>	<u>2,011,103.42</u>
<b>FIXED ASSETS</b>		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(31,930.00)</u>	<u>(28,210.00)</u>
<b>Subtotal - Fixed Assets</b>	<u>42,470.00</u>	<u>46,190.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,288,298.00</u>	<u>2,057,293.42</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,630,518.59</u></u>	<u><u>\$ 2,379,572.84</u></u>

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

**Liabilities and Fund Balances**

	<b>2023</b>	<b>2022</b>
<b>CURRENT LIABILITIES</b>		
A/P - Trade	\$ 35,736.88	\$ 46,077.49
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	75.00	209.29
Owner Prepayments	54,987.36	63,533.04
A/P - Insurance	11,672.00	0.00
Accrued General Excise Tx	184.98	185.88
	<hr/>	<hr/>
<b>Subtotal - Current Liabilities</b>	111,521.49	118,870.97
	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>	111,521.49	118,870.97
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<b>TOTAL LIABILITIES</b>	111,521.49	118,870.97
	<hr/>	<hr/>
 <b>MEMBERS' EQUITY</b>		
Unrestricted Members' Equity	273,169.10	249,598.45
Restricted Members' Equity	2,245,828.00	2,011,103.42
	<hr/>	<hr/>
<b>Subtotal Members' Equity</b>	2,518,997.10	2,260,701.87
	<hr/>	<hr/>
<b>TOTAL MEMBERS' EQUITY</b>	2,518,997.10	2,260,701.87
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<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	\$ 2,630,518.59	\$ 2,379,572.84
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**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 12 Months Ended December 31, 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	78.7	89,277	0	1,071,329.52	76.1	1,071,330	(0)	1,071,330	0
406 - Capital Reserve	23,100.54	20.4	23,101	(0)	277,206.48	19.7	277,206	0	277,206	(0)
415 - Delinquent Owners Late Fee	332.10	0.3	150	182	1,957.74	0.1	1,800	158	1,800	(158)
416 - Delinquent Owners Interest	195.56	0.2	17	179	1,665.27	0.1	204	1,461	204	(1,461)
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>13,100.00</u>	<u>0.9</u>	<u>2,000</u>	<u>11,100</u>	<u>2,000</u>	<u>(11,100)</u>
<b>Total Membership Income</b>	<b>113,005.66</b>	<b>99.6</b>	<b>112,712</b>	<b>294</b>	<b>1,365,709.01</b>	<b>97.0</b>	<b>1,352,540</b>	<b>13,169</b>	<b>1,352,540</b>	<b>(13,169)</b>
<b>Non-Membership Income</b>										
430 - Interest Income	47.17	0.0	208	(161)	567.74	0.0	2,500	(1,932)	2,500	1,932
431 - Reserve Interest Income	386.60	0.3	1,208	(821)	27,366.75	1.9	14,500	12,867	14,500	(12,867)
441 - Kayak Rack Rental	0.00	0.0	167	(167)	2,130.00	0.2	2,000	130	2,000	(130)
499 - Other Income	60.00	0.1	8	52	190.00	0.0	100	90	100	(90)
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>0.9</u>	<u>12,000</u>	<u>100</u>	<u>12,000</u>	<u>(100)</u>
<b>Total Non-Membership Income</b>	<b>493.77</b>	<b>0.4</b>	<b>2,591</b>	<b>(2,097)</b>	<b>42,354.49</b>	<b>3.0</b>	<b>31,100</b>	<b>11,254</b>	<b>31,100</b>	<b>(11,254)</b>
<b>Total Revenues</b>	<b>113,499.43</b>	<b>100.</b>	<b>115,303</b>	<b>(1,804)</b>	<b>1,408,063.50</b>	<b>100.</b>	<b>1,383,640</b>	<b>24,424</b>	<b>1,383,640</b>	<b>(24,424)</b>
<b>Operating Expenses</b>										
<b>Administration Expenses</b>										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	10.00	0.0	120	(110)	120	110
645 - Dues & Subscriptions	0.00	0.0	167	(167)	1,703.00	0.1	2,000	(297)	2,000	297
710 - Meetings	0.00	0.0	292	(292)	2,861.81	0.2	3,500	(638)	3,500	638
715 - Office & Administration *	1,247.87	1.1	500	748	6,602.89	0.5	6,000	603	6,000	(603)
715.1 - Office/Admin - Site Office	10.41	0.0	150	(140)	1,210.61	0.1	1,800	(589)	1,800	589
715.2 - Office & Admin - Misc *	400.00	0.4	50	350	586.19	0.0	600	(14)	600	14
715.3 - Office/Rec Area WiFi	116.02	0.1	120	(4)	1,271.01	0.1	1,440	(169)	1,440	169
720 - Operating Supplies *	284.93	0.3	250	35	2,636.08	0.2	3,000	(364)	3,000	364
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>3,720.00</u>	<u>0.3</u>	<u>3,720</u>	<u>0</u>	<u>3,720</u>	<u>0</u>
<b>Total Administration Exp</b>	<b>2,369.23</b>	<b>2.1</b>	<b>1,849</b>	<b>520</b>	<b>20,601.59</b>	<b>1.5</b>	<b>22,180</b>	<b>(1,578)</b>	<b>22,180</b>	<b>1,578</b>
<b>Employee Costs</b>										
610 - Auto *	135.20	0.1	100	35	1,165.01	0.1	1,200	(35)	1,200	35
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	600	(600)	600	600
653 - Emp/Ben.-Medical *	1,425.80	1.3	1,285	141	15,161.00	1.1	15,415	(254)	15,415	254
780 - Salaries & Wages	17,499.69	15.4	13,180	4,320	162,031.56	11.5	158,160	3,872	158,160	(3,872)
801 - P/R Ins. - TDI & WC *	664.21	0.6	401	263	8,158.07	0.6	4,808	3,350	4,808	(3,350)
802 - Taxes - Payroll *	1,723.56	1.5	1,328	396	17,194.92	1.2	15,938	1,257	15,938	(1,257)
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>200</u>	<u>(66)</u>	<u>200</u>	<u>66</u>
<b>Total Employee Costs</b>	<b>21,448.46</b>	<b>18.9</b>	<b>16,361</b>	<b>5,087</b>	<b>203,845.02</b>	<b>14.5</b>	<b>196,321</b>	<b>7,524</b>	<b>196,321</b>	<b>(7,524)</b>
<b>Insurance Expense</b>										
677 - Ins. - Bond	45.33	0.0	50	(5)	539.32	0.0	600	(61)	600	61
678 - Ins. Business Interruption	136.42	0.1	167	(31)	1,091.36	0.1	2,000	(909)	2,000	909
679 - Ins. - Dir./Officers	1,531.58	1.3	1,249	283	21,778.64	1.5	14,982	6,797	14,982	(6,797)
680 - Ins. - Package	4,132.08	3.6	5,542	(1,410)	59,076.32	4.2	66,500	(7,424)	66,500	7,424
683 - Ins. - CGL	340.08	0.3	342	(2)	4,076.64	0.3	4,100	(23)	4,100	23
684 - Ins. - Umbrella	<u>246.17</u>	<u>0.2</u>	<u>225</u>	<u>21</u>	<u>2,769.36</u>	<u>0.2</u>	<u>2,700</u>	<u>69</u>	<u>2,700</u>	<u>(69)</u>
<b>Total Insurance Expenses</b>	<b>6,431.66</b>	<b>5.7</b>	<b>7,575</b>	<b>(1,143)</b>	<b>89,331.64</b>	<b>6.3</b>	<b>90,882</b>	<b>(1,550)</b>	<b>90,882</b>	<b>1,550</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 12 Months Ended December 31, 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	3.0	3,458	0	41,496.00	2.9	41,496	0	41,496	0
731 - Prof.Svc.- Audit *	4,750.00	4.2	386	4,364	4,754.41	0.3	4,631	123	4,631	(123)
732 - Prof.Svc.- Legal *	2,916.66	2.6	417	2,500	7,343.70	0.5	5,000	2,344	5,000	(2,344)
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	5,000	(5,000)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng. *	<u>988.00</u>	<u>0.9</u>	<u>82</u>	<u>906</u>	<u>988.00</u>	<u>0.1</u>	<u>988</u>	<u>0</u>	<u>988</u>	<u>0</u>
<b>Total Professional Exp</b>	<u>12,112.66</u>	<u>10.7</u>	<u>4,760</u>	<u>7,353</u>	<u>54,582.11</u>	<u>3.9</u>	<u>57,115</u>	<u>(2,533)</u>	<u>57,115</u>	<u>2,533</u>
<b>Repairs &amp; Maint Expenses</b>										
746 - R/M - Buildings *	9,259.59	8.2	1,250	8,010	16,605.66	1.2	15,000	1,606	15,000	(1,606)
750 - R/M - Equipment	7.18	0.0	250	(243)	1,990.99	0.1	3,000	(1,009)	3,000	1,009
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,805.66	0.1	2,400	(594)	2,400	594
753 - R/M - Landscape Upgrades	90.32	0.1	125	(35)	1,250.19	0.1	1,500	(250)	1,500	250
754 - R/M - Grounds	0.00	0.0	83	(83)	526.51	0.0	1,000	(473)	1,000	473
755 - R/M - Grounds Contractor	23,800.00	21.0	23,893	(93)	285,600.00	20.3	286,716	(1,116)	286,716	1,116
756 - R/M - Irrigation	655.55	0.6	667	(11)	4,876.07	0.3	8,000	(3,124)	8,000	3,124
760 - R/M - Pest Control *	1,597.91	1.4	583	1,015	7,989.55	0.6	6,991	999	6,991	(999)
762 - R/M - Pool, Spa, BBQ	1,912.05	1.7	2,467	(555)	33,337.59	2.4	29,600	3,738	29,600	(3,738)
764 - R/M - Refuse Collection	1,590.31	1.4	1,656	(66)	18,786.90	1.3	19,874	(1,087)	19,874	1,087
764.1 - R/M - Recycling	721.09	0.6	857	(136)	8,949.72	0.6	10,283	(1,333)	10,283	1,333
767 - R/M - Security Contract	<u>1,354.17</u>	<u>1.2</u>	<u>1,354</u>	<u>0</u>	<u>15,908.62</u>	<u>1.1</u>	<u>16,250</u>	<u>(341)</u>	<u>16,250</u>	<u>341</u>
<b>Total Repairs &amp; Maint Exp</b>	<u>40,988.17</u>	<u>36.1</u>	<u>33,385</u>	<u>7,603</u>	<u>397,627.46</u>	<u>28.2</u>	<u>400,614</u>	<u>(2,987)</u>	<u>400,614</u>	<u>2,987</u>
<b>Tax Expenses</b>										
796 - Taxes - Gen. Excise	44.86	0.0	110	(65)	2,381.15	0.2	1,324	1,057	1,324	(1,057)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	12,000	(12,000)	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>1,750</u>	<u>(1,750)</u>	<u>1,750</u>	<u>1,750</u>
<b>Total Tax Expenses</b>	<u>44.86</u>	<u>0.0</u>	<u>1,256</u>	<u>(1,211)</u>	<u>2,381.15</u>	<u>0.2</u>	<u>15,074</u>	<u>(12,693)</u>	<u>15,074</u>	<u>12,693</u>
<b>Utility Expense</b>										
826 - Util. - Cable TV	6,035.82	5.3	6,311	(275)	66,627.67	4.7	75,732	(9,104)	75,732	9,104
826.1 - Util. - HUI Participation Fe	110.31	0.1	0	110	1,305.86	0.1	0	1,306	0	(1,306)
828 - Util. - Electric *	2,657.70	2.3	2,211	447	25,440.64	1.8	26,533	(1,092)	26,533	1,092
830 - Util. - Gas	0.00	0.0	50	(50)	452.37	0.0	600	(148)	600	148
832 - Util. - Sewer *	5,766.00	5.1	5,482	284	66,910.26	4.8	65,787	1,123	65,787	(1,123)
834 - Util. - Telephone *	258.49	0.2	250	8	3,455.34	0.2	3,000	455	3,000	(455)
838 - Util. - Water	<u>11,290.41</u>	<u>9.9</u>	<u>12,147</u>	<u>(857)</u>	<u>147,358.51</u>	<u>10.5</u>	<u>145,763</u>	<u>1,596</u>	<u>145,763</u>	<u>(1,596)</u>
<b>Total Utility Expenses</b>	<u>26,118.73</u>	<u>23.0</u>	<u>26,451</u>	<u>(332)</u>	<u>311,550.65</u>	<u>22.1</u>	<u>317,415</u>	<u>(5,864)</u>	<u>317,415</u>	<u>5,864</u>
<b>Reserves &amp; Other Exp</b>										
915 - Capital Reserves	23,100.54	20.4	23,101	(0)	277,206.48	19.7	277,206	0	277,206	(0)
916 - Reserves Interest	<u>386.60</u>	<u>0.3</u>	<u>1,208</u>	<u>(821)</u>	<u>27,366.75</u>	<u>1.9</u>	<u>14,500</u>	<u>12,867</u>	<u>14,500</u>	<u>(12,867)</u>
<b>Total Reserve &amp; Other Exp</b>	<u>23,487.14</u>	<u>20.7</u>	<u>24,309</u>	<u>(822)</u>	<u>304,573.23</u>	<u>21.6</u>	<u>291,706</u>	<u>12,867</u>	<u>291,706</u>	<u>(12,867)</u>
<b>Total Operating Expenses and Reserve Allocation</b>										
<b>Total Revenue Over Exp</b>	<u>133,000.91</u>	<u>117.</u>	<u>115,946</u>	<u>17,055</u>	<u>1,384,492.85</u>	<u>98.3</u>	<u>1,391,307</u>	<u>(6,814)</u>	<u>1,391,307</u>	<u>6,814</u>
	<u>(19,501.48)</u>	<u>(17.2)</u>	<u>(643)</u>	<u>(18,858)</u>	<u>23,570.65</u>	<u>1.7</u>	<u>(7,667)</u>	<u>31,238</u>	<u>(7,667)</u>	<u>(31,238)</u>
<b>Beginning Members' Equity</b>					<u>249,598.45</u>					
<b>Ending Members' Equity</b>					<u>273,169.10</u>					

**Wailea Fairway Villas Association**  
**Statement of Cash Flows - Tax Basis**  
**For the 1 Month and 12 Months Ended December 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (Loss)	\$ (19,501.48)	\$ 23,570.65
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	3,720.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(2,891.52)	(14,208.81)
Prepays	7,715.24	(5,234.47)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	4,440.08	(10,340.61)
Accrued Liabilities	11,238.86	2,991.13
Total Adjustments	<u>20,812.66</u>	<u>(23,072.76)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>1,311.18</u>	<u>497.89</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**

1,311.18                      497.89

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

283,417.68                      284,230.97

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

\$ 284,728.86                      \$ 284,728.86