



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 Ten Months Ended

October 31, 2022

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I have prepared the accompanying Balance Sheet – Tax Basis as of October 31, 2022, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Ten 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
October 31, 2022 and 2021

Assets

	2022	2021
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 35,924.66	\$ 34,987.68
Ckg - CIT Debit Card ****4202	1,691.00	2,541.70
MMkt - CIT Savings *****2119	231,818.83	26,629.73
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
Subtotal - Cash	<u>269,434.49</u>	<u>267,649.46</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	5,759.85	11,275.12
A/R - Prior & Collection	0.00	29,542.93
Allowance for Bad Debts	0.00	(21,723.26)
A/R - Missing Credit Card Receipts	<u>0.00</u>	<u>58.64</u>
Subtotal - Accounts Receivable	<u>5,759.85</u>	<u>19,153.43</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,076.00	9,900.00
Prepaid State Income Tax	1,341.00	1,800.00
Unexpired Insurance	37,756.67	35,709.15
NJF Clearing Account	<u>0.00</u>	<u>102,729.03</u>
Subtotal - Other Current Assets	<u>45,173.67</u>	<u>150,138.18</u>
TOTAL CURRENT ASSETS	<u>320,368.01</u>	<u>436,941.07</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	1,380,071.95	2,268,894.65
Edward Jones	<u>601,421.19</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>1,981,493.14</u>	<u>2,268,894.65</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(27,590.00)</u>	<u>(23,870.00)</u>
Subtotal - Fixed Assets	<u>46,810.00</u>	<u>50,530.00</u>
TOTAL OTHER ASSETS	<u>2,028,303.14</u>	<u>2,319,424.65</u>
TOTAL ASSETS	<u>\$ 2,348,671.15</u>	<u>\$ 2,756,365.72</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
October 31, 2022 and 2021**

Liabilities and Fund Balances

	2022	2021
CURRENT LIABILITIES		
A/P - Trade	\$ 28,044.06	\$ 28,355.51
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	209.29
Owner Prepayments	53,775.40	39,893.14
A/P - NJF Units	0.00	102,729.03
A/P - Insurance	11,510.00	14,849.00
Accrued General Excise Tx	<u>87.97</u>	<u>74.09</u>
Subtotal - Current Liabilities	<u>102,491.99</u>	<u>194,975.33</u>
TOTAL CURRENT LIABILITIES	<u>102,491.99</u>	<u>194,975.33</u>
TOTAL LIABILITIES	<u>102,491.99</u>	<u>194,975.33</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	264,686.02	292,495.74
Restricted Members' Equity	<u>1,981,493.14</u>	<u>2,268,894.65</u>
Subtotal Members' Equity	<u>2,246,179.16</u>	<u>2,561,390.39</u>
TOTAL MEMBERS' EQUITY	<u>2,246,179.16</u>	<u>2,561,390.39</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,348,671.15</u></u>	<u><u>\$ 2,756,365.72</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 10 Months Ended October 31, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	81,987.82	77.9	81,988	(0)	819,878.20	78.1	819,878	0	983,854	163,976
406 - Capital Reserve	21,000.18	20.0	21,000	0	210,001.80	20.0	210,002	(0)	252,002	42,000
415 - Delinquent Owners Late Fee	478.39	0.5	200	278	2,565.22	0.2	2,000	565	2,400	(165)
416 - Delinquent Owners Interest	51.10	0.0	17	34	238.65	0.0	170	69	204	(35)
417 - Key Fine	0.00	0.0	0	0	25.00	0.0	0	25	0	(25)
418 - Insurance Evidence Fine	0.00	0.0	0	0	200.00	0.0	0	200	0	(200)
420 - Tenant Information Form	0.00	0.0	0	0	300.00	0.0	0	300	0	(300)
425 - House Rule Violations	500.00	0.5	208	292	2,430.00	0.2	2,083	347	2,500	70
485 - Admin Fee (Forced Place In	0.00	0.0	0	0	25.50	0.0	0	26	0	(26)
Total Membership Income	<u>104,017.49</u>	<u>98.9</u>	<u>103,413</u>	<u>604</u>	<u>1,035,664.37</u>	<u>98.6</u>	<u>1,034,133</u>	<u>1,531</u>	<u>1,240,960</u>	<u>205,296</u>
Non-Membership Income										
430 - Interest Income	72.34	0.1	100	(28)	1,533.44	0.1	1,000	533	1,200	(333)
431 - Reserve Interest Income	1,097.22	1.0	937	160	10,342.63	1.0	9,367	976	11,240	897
441 - Kayak Rack Rental	0.00	0.0	180	(180)	2,085.00	0.2	1,800	285	2,160	75
450 - Rental Income	0.00	0.0	0	0	200.00	0.0	0	200	0	(200)
499 - Other Income	0.00	0.0	0	0	80.00	0.0	0	80	0	(80)
Total Non-Membership Income	<u>1,169.56</u>	<u>1.1</u>	<u>1,217</u>	<u>(47)</u>	<u>14,241.07</u>	<u>1.4</u>	<u>12,167</u>	<u>2,074</u>	<u>14,600</u>	<u>359</u>
Total Revenues	<u>105,187.05</u>	<u>100.</u>	<u>104,630</u>	<u>557</u>	<u>1,049,905.44</u>	<u>100.</u>	<u>1,046,300</u>	<u>3,605</u>	<u>1,255,560</u>	<u>205,655</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	0.00	0.0	0	0	5,846.50	0.6	0	5,847	0	(5,847)
701.3 - NJF Repairs & Maint	0.00	0.0	0	0	(20.83)	0.0	0	(21)	0	21
Total NJF Unit Expenses	<u>0.00</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>5,825.67</u>	<u>0.6</u>	<u>0</u>	<u>5,826</u>	<u>0</u>	<u>(5,826)</u>
Administration Expenses										
620 - Bad Debts *	8,010.96	7.6	0	8,011	8,010.96	0.8	0	8,011	0	(8,011)
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	40.00	0.0	100	(60)	120	80
645 - Dues & Subscriptions	0.00	0.0	27	(27)	324.00	0.0	266	58	319	(5)
710 - Meetings	0.00	0.0	250	(250)	2,886.64	0.3	2,500	387	3,000	113
715 - Office & Administration	415.47	0.4	500	(85)	3,924.23	0.4	5,000	(1,076)	6,000	2,076
715.1 - Office/Admin - Site Office *	836.37	0.8	150	686	2,076.41	0.2	1,500	576	1,800	(276)
715.2 - Office & Admin - Misc	21.34	0.0	50	(29)	21.34	0.0	500	(479)	600	579
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	1,207.10	0.1	1,200	7	1,440	233
720 - Operating Supplies *	271.77	0.3	167	105	1,964.07	0.2	1,667	297	2,000	36
910 - Depreciation	310.00	0.3	310	0	3,100.00	0.3	3,100	0	3,720	620
Total Administration Exp	<u>9,976.72</u>	<u>9.5</u>	<u>1,584</u>	<u>8,393</u>	<u>23,554.75</u>	<u>2.2</u>	<u>15,833</u>	<u>7,722</u>	<u>18,999</u>	<u>(4,556)</u>
Employee Costs										
610 - Auto	68.13	0.1	100	(32)	900.56	0.1	1,000	(99)	1,200	299
648 - Education & Seminars	0.00	0.0	50	(50)	173.84	0.0	500	(326)	600	426
653 - Emp/Ben.-Medical	1,166.00	1.1	1,259	(93)	12,049.93	1.1	12,587	(537)	15,104	3,054
780 - Salaries & Wages	12,925.00	12.3	12,208	717	121,620.00	11.6	122,083	(463)	146,500	24,880
801 - P/R Ins. - TDI & WC	335.33	0.3	420	(85)	4,739.14	0.5	4,200	539	5,040	301
802 - Taxes - Payroll	1,160.98	1.1	1,210	(49)	12,615.79	1.2	12,100	516	14,520	1,904
812 - Uniforms *	56.71	0.1	17	40	140.05	0.0	167	(27)	200	60
Total Employee Costs	<u>15,712.15</u>	<u>14.9</u>	<u>15,264</u>	<u>448</u>	<u>152,239.31</u>	<u>14.5</u>	<u>152,637</u>	<u>(398)</u>	<u>183,164</u>	<u>30,925</u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 10 Months Ended October 31, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Insurance Expense										
677 - Ins. - Bond	44.17	0.0	37	7	429.80	0.0	368	62	442	12
678 - Ins. Business Interruption	130.50	0.1	111	20	2,785.00	0.3	1,105	1,680	1,326	(1,459)
679 - Ins. - Dir./Officers	598.50	0.6	653	(55)	5,548.68	0.5	6,526	(977)	7,831	2,282
680 - Ins. - Package	4,812.92	4.6	4,998	(185)	47,388.84	4.5	49,981	(2,592)	59,977	12,588
683 - Ins. - CGL	339.00	0.3	369	(30)	3,466.00	0.3	3,693	(227)	4,432	966
684 - Ins. - Umbrella	<u>200.00</u>	<u>0.2</u>	<u>209</u>	<u>(9)</u>	<u>1,958.32</u>	<u>0.2</u>	<u>2,086</u>	<u>(128)</u>	<u>2,503</u>	<u>545</u>
Total Insurance Expenses	6,125.09	5.8	6,377	(252)	61,576.64	5.9	63,759	(2,182)	76,511	14,934
Professional Services										
705 - Management Fee	3,328.00	3.2	3,328	0	33,280.00	3.2	33,280	0	39,936	6,656
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	43.25	0.0	3,859	(3,816)	4,631	4,588
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	3,428.70	0.3	4,167	(738)	5,000	1,571
733 - Prof.Svc.- Reserve *	2,350.00	2.2	0	2,350	2,350.00	0.2	0	2,350	0	(2,350)
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>823</u>	<u>(823)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	5,678.00	5.4	4,213	1,465	39,101.95	3.7	42,129	(3,027)	50,555	11,453
Repairs & Maint Expenses										
746 - R/M - Buildings *	1,807.30	1.7	833	974	12,230.24	1.2	8,333	3,897	10,000	(2,230)
750 - R/M - Equipment	210.00	0.2	250	(40)	2,317.27	0.2	2,500	(183)	3,000	683
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,878.57	0.2	2,000	(121)	2,400	521
753 - R/M - Landscape Upgrades *	234.37	0.2	125	109	477.66	0.0	1,250	(772)	1,500	1,022
754 - R/M - Grounds	0.00	0.0	83	(83)	2,148.39	0.2	833	1,315	1,000	(1,148)
755 - R/M - Grounds Contractor	21,840.00	20.8	21,840	0	218,400.00	20.8	218,400	0	262,080	43,680
756 - R/M - Irrigation	164.74	0.2	800	(635)	4,865.94	0.5	8,000	(3,134)	9,600	4,734
760 - R/M - Pest Control *	1,597.91	1.5	555	1,043	4,836.72	0.5	5,548	(711)	6,658	1,821
762 - R/M - Pool, Spa, BBQ	1,951.39	1.9	2,215	(264)	27,445.97	2.6	22,148	5,298	26,577	(869)
764 - R/M - Refuse Collection	1,540.84	1.5	1,618	(77)	14,968.18	1.4	16,179	(1,211)	19,415	4,447
764.1 - R/M - Recycling	770.53	0.7	794	(23)	7,705.30	0.7	7,937	(232)	9,524	1,819
767 - R/M - Security Contract	<u>1,108.17</u>	<u>1.1</u>	<u>1,146</u>	<u>(38)</u>	<u>11,420.69</u>	<u>1.1</u>	<u>11,458</u>	<u>(37)</u>	<u>13,750</u>	<u>2,329</u>
Total Repairs & Maint Exp	31,225.25	29.7	30,459	766	308,694.93	29.4	304,586	4,109	365,504	56,809
Tax Expenses										
796 - Taxes - Gen. Excise *	87.96	0.1	66	22	801.01	0.1	657	144	788	(13)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	10,000	(10,000)	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>1,458</u>	<u>(1,458)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	87.96	0.1	1,212	(1,124)	801.01	0.1	12,115	(11,314)	14,538	13,737
Utility Expense										
826 - Util. - Cable TV *	4,941.54	4.7	4,744	198	48,626.05	4.6	47,435	1,191	56,922	8,296
828 - Util. - Electric *	2,035.22	1.9	1,906	129	18,682.58	1.8	19,063	(380)	22,876	4,193
830 - Util. - Gas	73.83	0.1	75	(1)	202.00	0.0	750	(548)	900	698
832 - Util. - Sewer *	5,380.50	5.1	5,170	211	52,358.31	5.0	51,695	663	62,034	9,676
834 - Util. - Telephone *	287.53	0.3	250	38	2,573.23	0.2	2,500	73	3,000	427
838 - Util. - Water *	<u>12,744.25</u>	<u>12.1</u>	<u>11,443</u>	<u>1,301</u>	<u>111,522.25</u>	<u>10.6</u>	<u>114,431</u>	<u>(2,909)</u>	<u>137,317</u>	<u>25,795</u>
Total Utility Expenses	25,462.87	24.2	23,588	1,875	233,964.42	22.3	235,874	(1,910)	283,049	49,085

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 10 Months Ended October 31, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.0	21,000	0	210,001.80	20.0	210,002	(0)	252,002	42,000
916 - Reserves Interest	<u>1,097.22</u>	<u>1.0</u>	<u>937</u>	<u>160</u>	<u>10,342.63</u>	<u>1.0</u>	<u>9,367</u>	<u>976</u>	<u>11,240</u>	<u>897</u>
Total Reserve & Other Exp	<u>22,097.40</u>	<u>21.0</u>	<u>21,937</u>	<u>160</u>	<u>220,344.43</u>	<u>21.0</u>	<u>219,369</u>	<u>975</u>	<u>263,242</u>	<u>42,898</u>
Total Operating Expenses and Reserve Allocation	<u>116,365.44</u>	<u>110.</u>	<u>104,634</u>	<u>11,731</u>	<u>1,046,103.11</u>	<u>99.6</u>	<u>1,046,302</u>	<u>(199)</u>	<u>1,255,562</u>	<u>209,459</u>
Total Revenue Over Exp	<u>(11,178.39)</u>	<u>(10.6)</u>	<u>(4)</u>	<u>(11,174)</u>	<u>3,802.33</u>	<u>0.4</u>	<u>(2)</u>	<u>3,804</u>	<u>(2)</u>	<u>(3,804)</u>
Beginning Members' Equity					<u>260,883.69</u>					
Ending Members' Equity					<u>264,686.02</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 10 Months Ended October 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (11,178.39)	\$ 3,802.33
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	3,100.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	8,032.95	4,511.82
Prepays	102,583.15	87,729.39
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(1,219.18)	(19,934.62)
Accrued Liabilities	<u>(100,982.72)</u>	<u>(109,235.41)</u>
Total Adjustments	<u>8,724.20</u>	<u>(33,828.82)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(2,454.19)</u>	<u>(30,026.49)</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

(2,454.19) (30,026.49)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

271,888.68 299,460.98

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 269,434.49 \$ 269,434.49