



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, 2022

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I have prepared the accompanying Balance Sheet – Tax Basis as of December 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 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, 2022 and 2021

Assets

	2022	2021
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 150,697.58	\$ 66,885.79
Ckg - CIT Debit Card ****4202	1,581.80	2,448.44
MMkt - CIT Savings *****2119	131,951.59	26,636.40
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
Subtotal - Cash	<u>284,230.97</u>	<u>299,460.98</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	8,332.62	2,185.45
A/R - Prior & Collection	0.00	29,636.68
Allowance for Bad Debts	0.00	(21,723.26)
A/R - Missing Credit Card Receipts	<u>0.00</u>	<u>172.80</u>
Subtotal - Accounts Receivable	<u>8,332.62</u>	<u>10,271.67</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,076.00	6,076.00
Prepaid State Income Tax	1,341.00	1,341.00
Unexpired Insurance	24,835.83	23,516.83
NJF Clearing Account	<u>0.00</u>	<u>101,969.23</u>
Subtotal - Other Current Assets	<u>32,252.83</u>	<u>132,903.06</u>
TOTAL CURRENT ASSETS	<u>324,816.42</u>	<u>442,635.71</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	1,408,760.47	2,301,668.29
Edward Jones	<u>602,342.95</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>2,011,103.42</u>	<u>2,301,668.29</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(28,210.00)</u>	<u>(24,490.00)</u>
Subtotal - Fixed Assets	<u>46,190.00</u>	<u>49,910.00</u>
TOTAL OTHER ASSETS	<u>2,057,293.42</u>	<u>2,351,578.29</u>
TOTAL ASSETS	<u>\$ 2,382,109.84</u>	<u>\$ 2,794,214.00</u>

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

Liabilities and Fund Balances

	2022	2021
CURRENT LIABILITIES		
A/P - Trade	\$ 37,926.20	\$ 47,978.68
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	209.29
Owner Prepayments	64,289.04	61,979.95
A/P - NJF Units	0.00	101,969.23
A/P - Insurance	2,238.00	10,362.00
Accrued General Excise Tx	<u>185.88</u>	<u>297.60</u>
Subtotal - Current Liabilities	<u>113,713.68</u>	<u>231,662.02</u>
TOTAL CURRENT LIABILITIES	<u>113,713.68</u>	<u>231,662.02</u>
TOTAL LIABILITIES	<u>113,713.68</u>	<u>231,662.02</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	257,292.74	260,883.69
Restricted Members' Equity	<u>2,011,103.42</u>	<u>2,301,668.29</u>
Subtotal Members' Equity	<u>2,268,396.16</u>	<u>2,562,551.98</u>
TOTAL MEMBERS' EQUITY	<u>2,268,396.16</u>	<u>2,562,551.98</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,382,109.84</u></u>	<u><u>\$ 2,794,214.00</u></u>

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, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	81,987.82	78.7	81,988	(0)	983,853.84	78.2	983,854	(0)	983,854	0
406 - Capital Reserve	21,000.18	20.2	21,000	0	252,002.16	20.0	252,002	0	252,002	(0)
415 - Delinquent Owners Late Fee	212.85	0.2	200	13	2,928.96	0.2	2,400	529	2,400	(529)
416 - Delinquent Owners Interest	71.07	0.1	17	54	369.82	0.0	204	166	204	(166)
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	150.00	0.1	208	(58)	2,980.00	0.2	2,500	480	2,500	(480)
485 - Admin Fee (Forced Place In	0.00	0.0	0	0	25.50	0.0	0	26	0	(26)
Total Membership Income	<u>103,421.92</u>	<u>99.3</u>	<u>103,413</u>	<u>9</u>	<u>1,242,685.28</u>	<u>98.8</u>	<u>1,240,960</u>	<u>1,725</u>	<u>1,240,960</u>	<u>(1,725)</u>
Non-Membership Income										
430 - Interest Income	69.42	0.1	100	(31)	1,672.78	0.1	1,200	473	1,200	(473)
431 - Reserve Interest Income	609.65	0.6	937	(327)	11,551.06	0.9	11,240	311	11,240	(311)
441 - Kayak Rack Rental	15.00	0.0	180	(165)	2,100.00	0.2	2,160	(60)	2,160	60
450 - Rental Income	0.00	0.0	0	0	200.00	0.0	0	200	0	(200)
499 - Other Income	40.00	0.0	0	40	120.00	0.0	0	120	0	(120)
Total Non-Membership Income	<u>734.07</u>	<u>0.7</u>	<u>1,217</u>	<u>(483)</u>	<u>15,643.84</u>	<u>1.2</u>	<u>14,600</u>	<u>1,044</u>	<u>14,600</u>	<u>(1,044)</u>
Total Revenues	<u>104,155.99</u>	<u>100.</u>	<u>104,630</u>	<u>(474)</u>	<u>1,258,329.12</u>	<u>100.</u>	<u>1,255,560</u>	<u>2,769</u>	<u>1,255,560</u>	<u>(2,769)</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	0.00	0.0	0	0	5,846.50	0.5	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>0.5</u>	<u>0</u>	<u>5,826</u>	<u>0</u>	<u>(5,826)</u>
Administration Expenses										
620 - Bad Debts	0.00	0.0	0	0	8,010.96	0.6	0	8,011	0	(8,011)
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	40.00	0.0	120	(80)	120	80
645 - Dues & Subscriptions	0.00	0.0	27	(27)	324.00	0.0	319	5	319	(5)
710 - Meetings	0.00	0.0	250	(250)	3,105.39	0.2	3,000	105	3,000	(105)
715 - Office & Administration *	892.41	0.9	500	392	5,738.26	0.5	6,000	(262)	6,000	262
715.1 - Office/Admin - Site Office	69.37	0.1	150	(81)	2,332.27	0.2	1,800	532	1,800	(532)
715.2 - Office & Admin - Misc *	408.10	0.4	50	358	679.36	0.1	600	79	600	(79)
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	1,428.72	0.1	1,440	(11)	1,440	11
720 - Operating Supplies *	377.83	0.4	167	211	2,452.36	0.2	2,000	452	2,000	(452)
910 - Depreciation	310.00	0.3	310	0	3,720.00	0.3	3,720	0	3,720	0
Total Administration Exp	<u>2,168.52</u>	<u>2.1</u>	<u>1,584</u>	<u>585</u>	<u>27,831.32</u>	<u>2.2</u>	<u>18,999</u>	<u>8,832</u>	<u>18,999</u>	<u>(8,832)</u>
Employee Costs										
610 - Auto *	196.88	0.2	100	97	1,097.44	0.1	1,200	(103)	1,200	103
648 - Education & Seminars *	479.00	0.5	50	429	652.84	0.1	600	53	600	(53)
653 - Emp/Ben.-Medical *	1,343.98	1.3	1,259	85	14,596.59	1.2	15,104	(507)	15,104	507
780 - Salaries & Wages	12,350.00	11.9	12,208	142	146,295.00	11.6	146,500	(205)	146,500	205
801 - P/R Ins. - TDI & WC *	551.25	0.5	420	131	5,625.72	0.4	5,040	586	5,040	(586)
802 - Taxes - Payroll	1,084.33	1.0	1,210	(126)	14,794.74	1.2	14,520	275	14,520	(275)
812 - Uniforms	0.00	0.0	17	(17)	173.37	0.0	200	(27)	200	27
Total Employee Costs	<u>16,005.44</u>	<u>15.4</u>	<u>15,264</u>	<u>741</u>	<u>183,235.70</u>	<u>14.6</u>	<u>183,164</u>	<u>72</u>	<u>183,164</u>	<u>(72)</u>

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, 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	518.14	0.0	442	76	442	(76)
678 - Ins. Business Interruption	120.50	0.1	111	10	3,036.00	0.2	1,326	1,710	1,326	(1,710)
679 - Ins. - Dir./Officers	598.50	0.6	653	(55)	6,745.68	0.5	7,831	(1,085)	7,831	1,085
680 - Ins. - Package	4,812.92	4.6	4,998	(185)	57,014.68	4.5	59,977	(2,962)	59,977	2,962
683 - Ins. - CGL	339.00	0.3	369	(30)	4,144.00	0.3	4,432	(288)	4,432	288
684 - Ins. - Umbrella	<u>200.00</u>	<u>0.2</u>	<u>209</u>	<u>(9)</u>	<u>2,358.32</u>	<u>0.2</u>	<u>2,503</u>	<u>(145)</u>	<u>2,503</u>	<u>145</u>
Total Insurance Expenses	6,115.09	5.9	6,377	(262)	73,816.82	5.9	76,511	(2,694)	76,511	2,694
Professional Services										
705 - Management Fee	3,328.00	3.2	3,328	0	39,936.00	3.2	39,936	0	39,936	0
731 - Prof.Svc.- Audit *	4,631.00	4.4	386	4,245	4,674.25	0.4	4,631	43	4,631	(43)
732 - Prof.Svc.- Legal	(86.46)	(0.1)	417	(503)	3,428.70	0.3	5,000	(1,571)	5,000	1,571
733 - Prof.Svc.- Reserve	0.00	0.0	0	0	2,350.00	0.2	0	2,350	0	(2,350)
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>
Total Professional Exp	8,860.54	8.5	4,213	4,648	51,376.95	4.1	50,555	822	50,555	(822)
Repairs & Maint Expenses										
746 - R/M - Buildings *	2,631.97	2.5	833	1,799	16,378.47	1.3	10,000	6,378	10,000	(6,378)
750 - R/M - Equipment *	512.67	0.5	250	263	3,161.28	0.3	3,000	161	3,000	(161)
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,878.57	0.1	2,400	(521)	2,400	521
753 - R/M - Landscape Upgrades *	1,781.09	1.7	125	1,656	2,258.75	0.2	1,500	759	1,500	(759)
754 - R/M - Grounds *	363.38	0.3	83	280	3,029.44	0.2	1,000	2,029	1,000	(2,029)
755 - R/M - Grounds Contractor	21,840.00	21.0	21,840	0	262,080.00	20.8	262,080	0	262,080	0
756 - R/M - Irrigation	421.04	0.4	800	(379)	5,286.98	0.4	9,600	(4,313)	9,600	4,313
760 - R/M - Pest Control	507.81	0.5	555	(47)	5,344.53	0.4	6,658	(1,313)	6,658	1,313
762 - R/M - Pool, Spa, BBQ *	2,648.63	2.5	2,215	434	33,286.77	2.6	26,577	6,710	26,577	(6,710)
764 - R/M - Refuse Collection	1,540.84	1.5	1,618	(77)	18,049.86	1.4	19,415	(1,365)	19,415	1,365
764.1 - R/M - Recycling	770.53	0.7	794	(23)	9,246.36	0.7	9,524	(278)	9,524	278
767 - R/M - Security Contract *	<u>1,183.49</u>	<u>1.1</u>	<u>1,146</u>	<u>37</u>	<u>13,712.35</u>	<u>1.1</u>	<u>13,750</u>	<u>(38)</u>	<u>13,750</u>	<u>38</u>
Total Repairs & Maint Exp	34,201.45	32.8	30,459	3,742	373,713.36	29.7	365,504	8,209	365,504	(8,209)
Tax Expenses										
796 - Taxes - Gen. Excise	46.72	0.0	66	(19)	898.92	0.1	788	111	788	(111)
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>
Total Tax Expenses	46.72	0.0	1,212	(1,165)	898.92	0.1	14,538	(13,639)	14,538	13,639
Utility Expense										
826 - Util. - Cable TV *	4,941.54	4.7	4,744	198	58,509.13	4.6	56,922	1,587	56,922	(1,587)
828 - Util. - Electric *	2,675.59	2.6	1,906	770	23,677.03	1.9	22,876	801	22,876	(801)
830 - Util. - Gas *	122.92	0.1	75	48	324.92	0.0	900	(575)	900	575
832 - Util. - Sewer *	5,524.50	5.3	5,170	355	63,465.81	5.0	62,034	1,432	62,034	(1,432)
834 - Util. - Telephone *	280.85	0.3	250	31	3,132.32	0.2	3,000	132	3,000	(132)
838 - Util. - Water	<u>10,135.15</u>	<u>9.7</u>	<u>11,443</u>	<u>(1,308)</u>	<u>132,558.90</u>	<u>10.5</u>	<u>137,317</u>	<u>(4,758)</u>	<u>137,317</u>	<u>4,758</u>
Total Utility Expenses	23,680.55	22.7	23,588	93	281,668.11	22.4	283,049	(1,381)	283,049	1,381

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, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.2	21,000	0	252,002.16	20.0	252,002	0	252,002	(0)
916 - Reserves Interest	<u>609.65</u>	<u>0.6</u>	<u>937</u>	<u>(327)</u>	<u>11,551.06</u>	<u>0.9</u>	<u>11,240</u>	<u>311</u>	<u>11,240</u>	<u>(311)</u>
Total Reserve & Other Exp	<u>21,609.83</u>	<u>20.7</u>	<u>21,937</u>	<u>(327)</u>	<u>263,553.22</u>	<u>20.9</u>	<u>263,242</u>	<u>311</u>	<u>263,242</u>	<u>(311)</u>
Total Operating Expenses and Reserve Allocation	<u>112,688.14</u>	<u>108.</u>	<u>104,634</u>	<u>8,054</u>	<u>1,261,920.07</u>	<u>100.</u>	<u>1,255,562</u>	<u>6,358</u>	<u>1,255,562</u>	<u>(6,358)</u>
Total Revenue Over Exp	<u>(8,532.15)</u>	<u>(8.2)</u>	<u>(4)</u>	<u>(8,528)</u>	<u>(3,590.95)</u>	<u>(0.3)</u>	<u>(2)</u>	<u>(3,589)</u>	<u>(2)</u>	<u>3,589</u>
Beginning Members' Equity					<u>260,883.69</u>					
Ending Members' Equity					<u>257,292.74</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 12 Months Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (8,532.15)	\$ (3,590.95)
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	(1,779.61)	1,939.05
Prepays	6,460.42	100,650.23
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	15,181.77	(10,052.48)
Accrued Liabilities	5,240.72	(107,895.86)
Total Adjustments	<u>25,413.30</u>	<u>(11,639.06)</u>
Net Cash Provided By (Used in) Operating Activities	<u>16,881.15</u>	<u>(15,230.01)</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

16,881.15 (15,230.01)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

267,349.82 299,460.98

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 284,230.97 \$ 284,230.97