



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 One Month Ended
January 31, 2023

(Subject to Audit Adjustment)

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I have prepared the accompanying Balance Sheet – Tax Basis as of January 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 One Month 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
January 31, 2023 and 2022**

Assets

	2023	2022
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 145,635.73	\$ 64,329.44
Ckg - CIT Debit Card ****4202	2,215.59	2,537.25
MMkt - CIT Savings *****2119	131,990.82	26,639.79
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
Subtotal - Cash	<u>279,842.14</u>	<u>296,996.83</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances (A - pg 11)	18,485.24	1,124.83
A/R - Prior & Collection (B - pg 11)	0.00	29,565.48
Allowance for Bad Debts (C - pg 11)	0.00	(21,723.26)
A/R - Missing Credit Card Receipts	<u>80.69</u>	<u>466.21</u>
Subtotal - Accounts Receivable	<u>18,565.93</u>	<u>9,433.26</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	18,375.23	17,420.67
NJF Clearing Account (D - pg 12)	<u>0.00</u>	<u>101,213.23</u>
Subtotal - Other Current Assets	<u>25,792.23</u>	<u>126,050.90</u>
TOTAL CURRENT ASSETS	<u>324,200.30</u>	<u>432,480.99</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank (E - pg 15)	1,425,507.94	2,325,045.20
Edward Jones (E - pg 15)	<u>602,342.95</u>	<u>0.00</u>
Subtotal - Capital Reserves (F - pg 14 & 15)	<u>2,027,850.89</u>	<u>2,325,045.20</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(28,520.00)</u>	<u>(24,800.00)</u>
Subtotal - Fixed Assets	<u>45,880.00</u>	<u>49,600.00</u>
TOTAL OTHER ASSETS	<u>2,073,730.89</u>	<u>2,374,645.20</u>
TOTAL ASSETS	<u>\$ 2,397,931.19</u>	<u>\$ 2,807,126.19</u>

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

Liabilities and Fund Balances

	2023	2022
CURRENT LIABILITIES		
A/P - Trade (G - pg 13)	\$ 37,002.84	\$ 32,564.69
A/P Insur. Water Damage Claims	3,793.62	8,865.27
A/P - Other	0.00	209.29
Owner Prepayments (H - pg 12)	53,311.51	61,292.55
A/P - NJF Units (D - pg 12)	0.00	101,213.23
A/P - Insurance	2,238.00	5,875.00
Accrued General Excise Tx	<u>529.96</u>	<u>254.73</u>
Subtotal - Current Liabilities	<u>96,875.93</u>	<u>210,274.76</u>
TOTAL CURRENT LIABILITIES	<u>96,875.93</u>	<u>210,274.76</u>
TOTAL LIABILITIES	<u>96,875.93</u>	<u>210,274.76</u>
MEMBERS' EQUITY		
Unrestricted Members' Equity	273,204.37	271,806.23
Restricted Members' Equity (F - pg 14 & 15)	<u>2,027,850.89</u>	<u>2,325,045.20</u>
Subtotal Members' Equity	<u>2,301,055.26</u>	<u>2,596,851.43</u>
TOTAL MEMBERS' EQUITY	<u>2,301,055.26</u>	<u>2,596,851.43</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,397,931.19</u></u>	<u><u>\$ 2,807,126.19</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 1 Month Ended January 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	71.1	89,277	0	89,277.46	71.1	89,277	0	1,071,330	982,053
406 - Capital Reserve	23,100.54	18.4	23,101	(0)	23,100.54	18.4	23,101	(0)	277,206	254,105
415 - Delinquent Owners Late Fee	89.00	0.1	150	(61)	89.00	0.1	150	(61)	1,800	1,711
416 - Delinquent Owners Interest	166.56	0.1	17	150	166.56	0.1	17	150	204	37
425 - House Rule Violations	10,200.00	8.1	167	10,033	10,200.00	8.1	167	10,033	2,000	(8,200)
Total Membership Income	<u>122,833.56</u>	<u>97.8</u>	<u>112,712</u>	<u>10,122</u>	<u>122,833.56</u>	<u>97.8</u>	<u>112,712</u>	<u>10,122</u>	<u>1,352,540</u>	<u>1,229,706</u>
Non-Membership Income										
430 - Interest Income	46.90	0.0	208	(161)	46.90	0.0	208	(161)	2,500	2,453
431 - Reserve Interest Income	1,775.68	1.4	1,208	568	1,775.68	1.4	1,208	568	14,500	12,724
441 - Kayak Rack Rental	900.00	0.7	167	733	900.00	0.7	167	733	2,000	1,100
499 - Other Income	70.00	0.1	8	62	70.00	0.1	8	62	100	30
499.1 - Spectrum	0.00	0.0	1,000	(1,000)	0.00	0.0	1,000	(1,000)	12,000	12,000
Total Non-Membership Income	<u>2,792.58</u>	<u>2.2</u>	<u>2,591</u>	<u>202</u>	<u>2,792.58</u>	<u>2.2</u>	<u>2,591</u>	<u>202</u>	<u>31,100</u>	<u>28,307</u>
Total Revenues	<u>125,626.14</u>	<u>100.</u>	<u>115,303</u>	<u>10,323</u>	<u>125,626.14</u>	<u>100.</u>	<u>115,303</u>	<u>10,323</u>	<u>1,383,640</u>	<u>1,258,014</u>
Operating Expenses										
Administration Expenses										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	0.00	0.0	10	(10)	120	120
645 - Dues & Subscriptions	0.00	0.0	167	(167)	0.00	0.0	167	(167)	2,000	2,000
710 - Meetings	265.08	0.2	292	(27)	265.08	0.2	292	(27)	3,500	3,235
715 - Office & Administration	253.03	0.2	500	(247)	253.03	0.2	500	(247)	6,000	5,747
715.1 - Office/Admin - Site Office	16.26	0.0	150	(134)	16.26	0.0	150	(134)	1,800	1,784
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	50	(50)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	110.81	0.1	120	(9)	1,440	1,329
720 - Operating Supplies *	289.27	0.2	250	39	289.27	0.2	250	39	3,000	2,711
910 - Depreciation	310.00	0.2	310	0	310.00	0.2	310	0	3,720	3,410
Total Administration Exp	<u>1,244.45</u>	<u>1.0</u>	<u>1,849</u>	<u>(605)</u>	<u>1,244.45</u>	<u>1.0</u>	<u>1,849</u>	<u>(605)</u>	<u>22,180</u>	<u>20,936</u>
Employee Costs										
610 - Auto *	112.66	0.1	100	13	112.66	0.1	100	13	1,200	1,087
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	50	(50)	600	600
653 - Emp/Ben.-Medical	1,202.68	1.0	1,285	(82)	1,202.68	1.0	1,285	(82)	15,415	14,212
780 - Salaries & Wages	12,984.33	10.3	13,180	(196)	12,984.33	10.3	13,180	(196)	158,160	145,176
801 - P/R Ins. - TDI & WC	335.51	0.3	401	(65)	335.51	0.3	401	(65)	4,808	4,472
802 - Taxes - Payroll *	1,506.73	1.2	1,328	179	1,506.73	1.2	1,328	179	15,938	14,431
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	17	(17)	200	200
Total Employee Costs	<u>16,141.91</u>	<u>12.8</u>	<u>16,361</u>	<u>(219)</u>	<u>16,141.91</u>	<u>12.8</u>	<u>16,361</u>	<u>(219)</u>	<u>196,321</u>	<u>180,179</u>
Insurance Expense										
677 - Ins. - Bond	44.17	0.0	50	(6)	44.17	0.0	50	(6)	600	556
678 - Ins. Business Interruption	130.50	0.1	167	(37)	130.50	0.1	167	(37)	2,000	1,870
679 - Ins. - Dir./Officers	598.50	0.5	1,249	(651)	598.50	0.5	1,249	(651)	14,982	14,384
680 - Ins. - Package	4,812.92	3.8	5,542	(729)	4,812.92	3.8	5,542	(729)	66,500	61,687
683 - Ins. - CGL	339.00	0.3	342	(3)	339.00	0.3	342	(3)	4,100	3,761
684 - Ins. - Umbrella	200.00	0.2	225	(25)	200.00	0.2	225	(25)	2,700	2,500
Total Insurance Expenses	<u>6,125.09</u>	<u>4.9</u>	<u>7,575</u>	<u>(1,450)</u>	<u>6,125.09</u>	<u>4.9</u>	<u>7,575</u>	<u>(1,450)</u>	<u>90,882</u>	<u>84,757</u>

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

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Professional Services										
705 - Management Fee	3,458.00	2.8	3,458	0	3,458.00	2.8	3,458	0	41,496	38,038
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	0.00	0.0	386	(386)	4,631	4,631
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	0.00	0.0	417	(417)	5,000	5,000
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	417	(417)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	82	(82)	988	988
Total Professional Exp	<u>3,458.00</u>	<u>2.8</u>	<u>4,760</u>	<u>(1,302)</u>	<u>3,458.00</u>	<u>2.8</u>	<u>4,760</u>	<u>(1,302)</u>	<u>57,115</u>	<u>53,657</u>
Repairs & Maint Expenses										
746 - R/M - Buildings	75.78	0.1	1,250	(1,174)	75.78	0.1	1,250	(1,174)	15,000	14,924
750 - R/M - Equipment *	487.41	0.4	250	237	487.41	0.4	250	237	3,000	2,513
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	200	(200)	2,400	2,400
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	0.00	0.0	125	(125)	1,500	1,500
754 - R/M - Grounds *	266.61	0.2	83	184	266.61	0.2	83	184	1,000	733
755 - R/M - Grounds Contractor	23,800.00	18.9	23,893	(93)	23,800.00	18.9	23,893	(93)	286,716	262,916
756 - R/M - Irrigation	114.48	0.1	667	(553)	114.48	0.1	667	(553)	8,000	7,886
760 - R/M - Pest Control *	1,597.91	1.3	583	1,015	1,597.91	1.3	583	1,015	6,991	5,393
762 - R/M - Pool, Spa, BBQ *	2,998.35	2.4	2,467	531	2,998.35	2.4	2,467	531	29,600	26,602
764 - R/M - Refuse Collection	1,540.84	1.2	1,656	(115)	1,540.84	1.2	1,656	(115)	19,874	18,333
764.1 - R/M - Recycling	770.53	0.6	857	(86)	770.53	0.6	857	(86)	10,283	9,512
767 - R/M - Security Contract	1,354.17	1.1	1,354	0	1,354.17	1.1	1,354	0	16,250	14,896
Total Repairs & Maint Exp	<u>33,006.08</u>	<u>26.3</u>	<u>33,385</u>	<u>(379)</u>	<u>33,006.08</u>	<u>26.3</u>	<u>33,385</u>	<u>(379)</u>	<u>400,614</u>	<u>367,608</u>
Tax Expenses										
796 - Taxes - Gen. Excise *	529.92	0.4	110	420	529.92	0.4	110	420	1,324	794
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	1,000	(1,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	146	(146)	1,750	1,750
Total Tax Expenses	<u>529.92</u>	<u>0.4</u>	<u>1,256</u>	<u>(726)</u>	<u>529.92</u>	<u>0.4</u>	<u>1,256</u>	<u>(726)</u>	<u>15,074</u>	<u>14,544</u>
Utility Expense										
826 - Util. - Cable TV	4,110.67	3.3	6,311	(2,200)	4,110.67	3.3	6,311	(2,200)	75,732	71,621
828 - Util. - Electric *	2,619.23	2.1	2,211	408	2,619.23	2.1	2,211	408	26,533	23,914
830 - Util. - Gas	0.00	0.0	50	(50)	0.00	0.0	50	(50)	600	600
832 - Util. - Sewer *	6,069.00	4.8	5,482	587	6,069.00	4.8	5,482	587	65,787	59,718
834 - Util. - Telephone *	281.44	0.2	250	31	281.44	0.2	250	31	3,000	2,719
838 - Util. - Water	11,252.50	9.0	12,147	(895)	11,252.50	9.0	12,147	(895)	145,763	134,511
Total Utility Expenses	<u>24,332.84</u>	<u>19.4</u>	<u>26,451</u>	<u>(2,118)</u>	<u>24,332.84</u>	<u>19.4</u>	<u>26,451</u>	<u>(2,118)</u>	<u>317,415</u>	<u>293,082</u>
Reserves & Other Exp										
915 - Capital Reserves	23,100.54	18.4	23,101	(0)	23,100.54	18.4	23,101	(0)	277,206	254,105
916 - Reserves Interest	1,775.68	1.4	1,208	568	1,775.68	1.4	1,208	568	14,500	12,724
Total Reserve & Other Exp	<u>24,876.22</u>	<u>19.8</u>	<u>24,309</u>	<u>567</u>	<u>24,876.22</u>	<u>19.8</u>	<u>24,309</u>	<u>567</u>	<u>291,706</u>	<u>266,830</u>
Total Operating Expenses and Reserve Allocation										
Reserve Allocation	<u>109,714.51</u>	<u>87.3</u>	<u>115,946</u>	<u>(6,231)</u>	<u>109,714.51</u>	<u>87.3</u>	<u>115,946</u>	<u>(6,231)</u>	<u>1,391,307</u>	<u>1,281,592</u>
Total Revenue Over Exp	<u>15,911.63</u>	<u>12.7</u>	<u>(643)</u>	<u>16,555</u>	<u>15,911.63</u>	<u>12.7</u>	<u>(643)</u>	<u>16,555</u>	<u>(7,667)</u>	<u>(23,579)</u>
Beginning Members' Equity					<u>257,292.74</u>					
Ending Members' Equity					<u>273,204.37</u>					

* see attached page 16 - Schedule VI for details

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

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 15,911.63	\$ 15,911.63
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	310.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(10,233.31)	(10,233.31)
Prepays	6,460.60	6,460.60
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(923.36)	(923.36)
Accrued Liabilities	(15,914.39)	(15,914.39)
Total Adjustments	<u>(20,300.46)</u>	<u>(20,300.46)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(4,388.83)</u>	<u>(4,388.83)</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

(4,388.83) (4,388.83)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

284,230.97 284,230.97

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 279,842.14 \$ 279,842.14