



**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 Two Months Ended

February 28, 2023

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I have prepared the accompanying Balance Sheet – Tax Basis as of February 28, 2023, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Two 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**  
**February 28, 2023 and 2022**

**Assets**

	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Ckg - CIT *****1241	\$ 189,185.70	\$ 61,938.14
Ckg - CIT Debit Card ****4202	3,004.47	1,490.42
MMkt - CIT Savings *****2119	132,126.28	26,742.86
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
<b>Subtotal - Cash</b>	<u>324,316.45</u>	<u>293,661.77</u>
<b>ACCOUNTS RECEIVABLES</b>		
A/R - Owners Balances	10,345.49	2,298.26
A/R - Prior & Collection	0.00	29,565.48
Allowance for Bad Debts	0.00	(21,723.26)
A/R - Missing Credit Card Receipts	<u>0.00</u>	<u>1,161.75</u>
<b>Subtotal - Accounts Receivable</b>	<u>10,345.49</u>	<u>11,302.23</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	16,802.56	15,302.51
NJF Clearing Account	<u>0.00</u>	<u>100,457.23</u>
<b>Subtotal - Other Current Assets</b>	<u>22,960.56</u>	<u>123,176.74</u>
<b>TOTAL CURRENT ASSETS</b>	<u>357,622.50</u>	<u>428,140.74</u>
<b>CAPITAL RESERVE ACCOUNTS</b>		
CIT Bank	1,434,324.68	2,343,497.23
Edward Jones	<u>603,280.48</u>	<u>0.00</u>
<b>Subtotal - Capital Reserves</b>	<u>2,037,605.16</u>	<u>2,343,497.23</u>
<b>FIXED ASSETS</b>		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(28,830.00)</u>	<u>(25,110.00)</u>
<b>Subtotal - Fixed Assets</b>	<u>45,570.00</u>	<u>49,290.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,083,175.16</u>	<u>2,392,787.23</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,440,797.66</u>	<u>\$ 2,820,927.97</u>

**Wailea Fairway Villas Association  
Balance Sheet - Tax Basis  
February 28, 2023 and 2022**

**Liabilities and Fund Balances**

	<b>2023</b>	<b>2022</b>
<b>CURRENT LIABILITIES</b>		
A/P - Trade	\$ 37,035.61	\$ 30,361.06
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	0.00	209.29
Owner Prepayments	54,050.31	53,819.55
A/P - NJF Units	0.00	100,457.23
A/P - Insurance	2,100.00	7,887.00
Accrued General Excise Tx	<u>601.31</u>	<u>269.10</u>
<b>Subtotal - Current Liabilities</b>	<u>102,652.50</u>	<u>201,868.50</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>102,652.50</u>	<u>201,868.50</u>
<b>TOTAL LIABILITIES</b>	<u>102,652.50</u>	<u>201,868.50</u>
 <b>MEMBERS' EQUITY</b>		
Unrestricted Members' Equity	300,540.00	275,562.24
Restricted Members' Equity	<u>2,037,605.16</u>	<u>2,343,497.23</u>
<b>Subtotal Members' Equity</b>	<u>2,338,145.16</u>	<u>2,619,059.47</u>
<b>TOTAL MEMBERS' EQUITY</b>	<u>2,338,145.16</u>	<u>2,619,059.47</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u><u>\$ 2,440,797.66</u></u>	<u><u>\$ 2,820,927.97</u></u>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 2 Months Ended February 28, 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	70.7	89,277	0	178,554.92	70.9	178,555	(0)	1,071,330	892,775
406 - Capital Reserve	23,100.54	18.3	23,101	(0)	46,201.08	18.3	46,201	0	277,206	231,005
415 - Delinquent Owners Late Fee	362.59	0.3	150	213	451.59	0.2	300	152	1,800	1,348
416 - Delinquent Owners Interest	91.00	0.1	17	74	257.56	0.1	34	224	204	(54)
425 - House Rule Violations	0.00	0.0	167	(167)	10,200.00	4.0	333	9,867	2,000	(8,200)
<b>Total Membership Income</b>	<u>112,831.59</u>	<u>89.4</u>	<u>112,712</u>	<u>120</u>	<u>235,665.15</u>	<u>93.6</u>	<u>225,423</u>	<u>10,242</u>	<u>1,352,540</u>	<u>1,116,875</u>
<b>Non-Membership Income</b>										
430 - Interest Income	42.93	0.0	208	(165)	89.83	0.0	417	(327)	2,500	2,410
431 - Reserve Interest Income	1,087.26	0.9	1,208	(121)	2,862.94	1.1	2,417	446	14,500	11,637
441 - Kayak Rack Rental	180.00	0.1	167	13	1,080.00	0.4	333	747	2,000	920
499 - Other Income	20.00	0.0	8	12	90.00	0.0	17	73	100	10
499.1 - Spectrum	12,100.00	9.6	1,000	11,100	12,100.00	4.8	2,000	10,100	12,000	(100)
<b>Total Non-Membership Income</b>	<u>13,430.19</u>	<u>10.6</u>	<u>2,591</u>	<u>10,839</u>	<u>16,222.77</u>	<u>6.4</u>	<u>5,184</u>	<u>11,039</u>	<u>31,100</u>	<u>14,877</u>
<b>Total Revenues</b>	<u>126,261.78</u>	<u>100.</u>	<u>115,303</u>	<u>10,959</u>	<u>251,887.92</u>	<u>100.</u>	<u>230,607</u>	<u>21,281</u>	<u>1,383,640</u>	<u>1,131,752</u>
<b>Operating Expenses</b>										
<b>Administration Expenses</b>										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	0.00	0.0	20	(20)	120	120
645 - Dues & Subscriptions	0.00	0.0	167	(167)	0.00	0.0	333	(333)	2,000	2,000
710 - Meetings *	817.32	0.6	292	525	1,082.40	0.4	583	499	3,500	2,418
715 - Office & Administration *	666.81	0.5	500	167	919.84	0.4	1,000	(80)	6,000	5,080
715.1 - Office/Admin - Site Office	71.17	0.1	150	(79)	87.43	0.0	300	(213)	1,800	1,713
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	100	(100)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	221.62	0.1	240	(18)	1,440	1,218
720 - Operating Supplies	137.15	0.1	250	(113)	426.42	0.2	500	(74)	3,000	2,574
910 - Depreciation	310.00	0.2	310	0	620.00	0.2	620	0	3,720	3,100
<b>Total Administration Exp</b>	<u>2,113.26</u>	<u>1.7</u>	<u>1,849</u>	<u>264</u>	<u>3,357.71</u>	<u>1.3</u>	<u>3,696</u>	<u>(338)</u>	<u>22,180</u>	<u>18,822</u>
<b>Employee Costs</b>										
610 - Auto	0.00	0.0	100	(100)	112.66	0.0	200	(87)	1,200	1,087
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	100	(100)	600	600
653 - Emp/Ben.-Medical	1,202.68	1.0	1,285	(82)	2,405.36	1.0	2,569	(164)	15,415	13,010
780 - Salaries & Wages	13,097.91	10.4	13,180	(82)	26,082.24	10.4	26,360	(278)	158,160	132,078
801 - P/R Ins. - TDI & WC *	437.58	0.3	401	37	773.09	0.3	801	(28)	4,808	4,035
802 - Taxes - Payroll *	1,461.98	1.2	1,328	134	2,968.71	1.2	2,656	313	15,938	12,969
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	33	(33)	200	200
<b>Total Employee Costs</b>	<u>16,200.15</u>	<u>12.8</u>	<u>16,361</u>	<u>(161)</u>	<u>32,342.06</u>	<u>12.8</u>	<u>32,719</u>	<u>(377)</u>	<u>196,321</u>	<u>163,979</u>
<b>Insurance Expense</b>										
677 - Ins. - Bond	44.17	0.0	50	(6)	88.34	0.0	100	(12)	600	512
678 - Ins. Business Interruption	(130.50)	(0.1)	167	(298)	0.00	0.0	333	(333)	2,000	2,000
679 - Ins. - Dir./Officers	598.50	0.5	1,249	(651)	1,197.00	0.5	2,497	(1,300)	14,982	13,785
680 - Ins. - Package	4,812.92	3.8	5,542	(729)	9,625.84	3.8	11,083	(1,457)	66,500	56,874
683 - Ins. - CGL	339.00	0.3	342	(3)	678.00	0.3	683	(5)	4,100	3,422
684 - Ins. - Umbrella	200.00	0.2	225	(25)	400.00	0.2	450	(50)	2,700	2,300
<b>Total Insurance Expenses</b>	<u>5,864.09</u>	<u>4.6</u>	<u>7,575</u>	<u>(1,711)</u>	<u>11,989.18</u>	<u>4.8</u>	<u>15,146</u>	<u>(3,157)</u>	<u>90,882</u>	<u>78,893</u>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 2 Months Ended February 28, 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	2.7	3,458	0	6,916.00	2.7	6,916	0	41,496	34,580
731 - Prof.Svc.- Audit	4.41	0.0	386	(382)	4.41	0.0	772	(768)	4,631	4,627
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	0.00	0.0	833	(833)	5,000	5,000
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	833	(833)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	165	(165)	988	988
<b>Total Professional Exp</b>	<u>3,462.41</u>	<u>2.7</u>	<u>4,760</u>	<u>(1,298)</u>	<u>6,920.41</u>	<u>2.7</u>	<u>9,519</u>	<u>(2,599)</u>	<u>57,115</u>	<u>50,195</u>
<b>Repairs &amp; Maint Expenses</b>										
746 - R/M - Buildings	685.80	0.5	1,250	(564)	761.58	0.3	2,500	(1,738)	15,000	14,238
750 - R/M - Equipment	65.32	0.1	250	(185)	552.73	0.2	500	53	3,000	2,447
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	400	(400)	2,400	2,400
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	0.00	0.0	250	(250)	1,500	1,500
754 - R/M - Grounds	0.00	0.0	83	(83)	266.61	0.1	167	100	1,000	733
755 - R/M - Grounds Contractor	23,800.00	18.8	23,893	(93)	47,600.00	18.9	47,786	(186)	286,716	239,116
756 - R/M - Irrigation	0.00	0.0	667	(667)	114.48	0.0	1,333	(1,219)	8,000	7,886
760 - R/M - Pest Control	0.00	0.0	583	(583)	1,597.91	0.6	1,165	433	6,991	5,393
762 - R/M - Pool, Spa, BBQ	1,492.20	1.2	2,467	(975)	4,490.55	1.8	4,933	(442)	29,600	25,109
764 - R/M - Refuse Collection	1,540.84	1.2	1,656	(115)	3,081.68	1.2	3,312	(230)	19,874	16,792
764.1 - R/M - Recycling	770.53	0.6	857	(86)	1,541.06	0.6	1,714	(173)	10,283	8,742
767 - R/M - Security Contract	1,176.04	0.9	1,354	(178)	2,530.21	1.0	2,708	(178)	16,250	13,720
<b>Total Repairs &amp; Maint Exp</b>	<u>29,530.73</u>	<u>23.4</u>	<u>33,385</u>	<u>(3,854)</u>	<u>62,536.81</u>	<u>24.8</u>	<u>66,768</u>	<u>(4,231)</u>	<u>400,614</u>	<u>338,077</u>
<b>Tax Expenses</b>										
796 - Taxes - Gen. Excise	71.35	0.1	110	(39)	601.27	0.2	221	380	1,324	723
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	2,000	(2,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	292	(292)	1,750	1,750
<b>Total Tax Expenses</b>	<u>71.35</u>	<u>0.1</u>	<u>1,256</u>	<u>(1,185)</u>	<u>601.27</u>	<u>0.2</u>	<u>2,513</u>	<u>(1,912)</u>	<u>15,074</u>	<u>14,473</u>
<b>Utility Expense</b>										
826 - Util. - Cable TV	2,298.33	1.8	6,311	(4,013)	6,409.00	2.5	12,622	(6,213)	75,732	69,323
828 - Util. - Electric *	2,721.62	2.2	2,211	511	5,340.85	2.1	4,422	919	26,533	21,192
830 - Util. - Gas *	78.00	0.1	50	28	78.00	0.0	100	(22)	600	522
832 - Util. - Sewer *	5,767.50	4.6	5,482	286	8,980.50	3.6	10,965	(1,985)	65,787	56,807
834 - Util. - Telephone *	281.41	0.2	250	31	562.85	0.2	500	63	3,000	2,437
838 - Util. - Water	6,806.50	5.4	12,147	(5,341)	12,763.71	5.1	24,294	(11,530)	145,763	132,999
<b>Total Utility Expenses</b>	<u>17,953.36</u>	<u>14.2</u>	<u>26,451</u>	<u>(8,498)</u>	<u>34,134.91</u>	<u>13.6</u>	<u>52,903</u>	<u>(18,768)</u>	<u>317,415</u>	<u>283,280</u>
<b>Reserves &amp; Other Exp</b>										
915 - Capital Reserves	23,100.54	18.3	23,101	(0)	46,201.08	18.3	46,201	0	277,206	231,005
916 - Reserves Interest	1,087.26	0.9	1,208	(121)	2,862.94	1.1	2,417	446	14,500	11,637
<b>Total Reserve &amp; Other Exp</b>	<u>24,187.80</u>	<u>19.2</u>	<u>24,309</u>	<u>(121)</u>	<u>49,064.02</u>	<u>19.5</u>	<u>48,618</u>	<u>446</u>	<u>291,706</u>	<u>242,642</u>
<b>Total Operating Expenses and Reserve Allocation</b>										
<b>Reserve Allocation</b>	<u>99,383.15</u>	<u>78.7</u>	<u>115,946</u>	<u>(16,563)</u>	<u>200,946.37</u>	<u>79.8</u>	<u>231,882</u>	<u>(30,936)</u>	<u>1,391,307</u>	<u>1,190,361</u>
<b>Total Revenue Over Exp</b>	<u>26,878.63</u>	<u>21.3</u>	<u>(643)</u>	<u>27,522</u>	<u>50,941.55</u>	<u>20.2</u>	<u>(1,275)</u>	<u>52,217</u>	<u>(7,667)</u>	<u>(58,609)</u>
<b>Beginning Members' Equity</b>					<u>249,598.45</u>					
<b>Ending Members' Equity</b>					<u>300,540.00</u>					

**Wailea Fairway Villas Association**  
**Statement of Cash Flows - Tax Basis**  
**For the 1 Month and 2 Months Ended February 28, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (Loss)	\$ 26,878.63	\$ 50,941.55
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	620.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	7,464.44	(2,768.87)
Prepays	1,050.67	7,511.27
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	32.77	(9,041.88)
Accrued Liabilities	8,737.80	(7,176.59)
Total Adjustments	<u>17,595.68</u>	<u>(10,856.07)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>44,474.31</u>	<u>40,085.48</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**

44,474.31                      40,085.48

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

279,842.14                      284,230.97

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

\$ 324,316.45                      \$ 324,316.45