



**DESTINATION MAUI** INC.  
Property Management

# Wailea Fairway Villas Association

(A 118-Unit Hawaii Condominium Association)

## Financial Statements and Supplementary Information

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For the One Month and Three Months Ended  
March 31, 2023

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I have prepared the accompanying Balance Sheet – Tax Basis as of March 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 Three 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**  
**March 31, 2023 and 2022**

**Assets**

	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Ckg - CIT *****1241	\$ 193,552.18	\$ 61,320.60
Ckg - CIT Debit Card ****4202	916.39	501.91
MMkt - CIT Savings *****2119	<u>132,165.56</u>	<u>231,365.40</u>
<b>Subtotal - Cash</b>	<u>326,634.13</u>	<u>293,187.91</u>
<b>ACCOUNTS RECEIVABLES</b>		
A/R - Owners Balances	10,732.93	1,129.52
A/R - Prior & Collection	0.00	29,596.73
Allowance for Bad Debts	0.00	(21,723.26)
A/R - Missing Credit Card Receipts	<u>0.00</u>	<u>2,019.28</u>
<b>Subtotal - Accounts Receivable</b>	<u>10,732.93</u>	<u>11,022.27</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	10,370.39	9,160.35
NJF Clearing Account	<u>0.00</u>	<u>99,701.23</u>
<b>Subtotal - Other Current Assets</b>	<u>16,528.39</u>	<u>116,278.58</u>
<b>TOTAL CURRENT ASSETS</b>	<u>353,895.45</u>	<u>420,488.76</u>
<b>CAPITAL RESERVE ACCOUNTS</b>		
CIT Bank	1,456,663.75	2,350,208.13
Edward Jones	<u>603,704.93</u>	<u>0.00</u>
<b>Subtotal - Capital Reserves</b>	<u>2,060,368.68</u>	<u>2,350,208.13</u>
<b>FIXED ASSETS</b>		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(29,140.00)</u>	<u>(25,420.00)</u>
<b>Subtotal - Fixed Assets</b>	<u>45,260.00</u>	<u>48,980.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,105,628.68</u>	<u>2,399,188.13</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,459,524.13</u>	<u>\$ 2,819,676.89</u>

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

**Liabilities and Fund Balances**

	<b>2023</b>	<b>2022</b>
<b>CURRENT LIABILITIES</b>		
A/P - Trade	\$ 21,770.47	\$ 24,879.90
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	0.00	209.29
Owner Prepayments	56,446.83	52,812.82
A/P - NJF Units	0.00	99,701.23
A/P - Insurance	2,100.00	2,587.00
Accrued General Excise Tx	<u>659.21</u>	<u>340.86</u>
<b>Subtotal - Current Liabilities</b>	<u>89,841.78</u>	<u>189,396.37</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>89,841.78</u>	<u>189,396.37</u>
<b>TOTAL LIABILITIES</b>	<u>89,841.78</u>	<u>189,396.37</u>
 <b>MEMBERS' EQUITY</b>		
Unrestricted Members' Equity	309,313.67	280,072.39
Restricted Members' Equity	<u>2,060,368.68</u>	<u>2,350,208.13</u>
<b>Subtotal Members' Equity</b>	<u>2,369,682.35</u>	<u>2,630,280.52</u>
<b>TOTAL MEMBERS' EQUITY</b>	<u>2,369,682.35</u>	<u>2,630,280.52</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u><u>\$ 2,459,524.13</u></u>	<u><u>\$ 2,819,676.89</u></u>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 3 Months Ended March 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	78.4	89,277	0	267,832.38	73.2	267,832	0	1,071,330	803,498
406 - Capital Reserve	23,100.54	20.3	23,101	(0)	69,301.62	18.9	69,302	(0)	277,206	207,904
415 - Delinquent Owners Late Fee	259.20	0.2	150	109	710.79	0.2	450	261	1,800	1,089
416 - Delinquent Owners Interest	96.52	0.1	17	80	354.08	0.1	51	303	204	(150)
418 - Insurance Evidence Fine	300.00	0.3	0	300	300.00	0.1	0	300	0	(300)
425 - House Rule Violations	100.00	0.1	167	(67)	10,300.00	2.8	500	9,800	2,000	(8,300)
<b>Total Membership Income</b>	<b>113,133.72</b>	<b>99.4</b>	<b>112,712</b>	<b>422</b>	<b>348,798.87</b>	<b>95.4</b>	<b>338,135</b>	<b>10,664</b>	<b>1,352,540</b>	<b>1,003,741</b>
<b>Non-Membership Income</b>										
430 - Interest Income	48.08	0.0	208	(160)	137.91	0.0	625	(487)	2,500	2,362
431 - Reserve Interest Income	598.92	0.5	1,208	(609)	3,461.86	0.9	3,625	(163)	14,500	11,038
441 - Kayak Rack Rental	45.00	0.0	167	(122)	1,125.00	0.3	500	625	2,000	875
499 - Other Income	0.00	0.0	8	(8)	90.00	0.0	25	65	100	10
499.1 - Spectrum	0.00	0.0	1,000	(1,000)	12,100.00	3.3	3,000	9,100	12,000	(100)
<b>Total Non-Membership Income</b>	<b>692.00</b>	<b>0.6</b>	<b>2,591</b>	<b>(1,899)</b>	<b>16,914.77</b>	<b>4.6</b>	<b>7,775</b>	<b>9,140</b>	<b>31,100</b>	<b>14,185</b>
<b>Total Revenues</b>	<b>113,825.72</b>	<b>100.</b>	<b>115,303</b>	<b>(1,477)</b>	<b>365,713.64</b>	<b>100.</b>	<b>345,910</b>	<b>19,804</b>	<b>1,383,640</b>	<b>1,017,926</b>
<b>Operating Expenses</b>										
<b>Administration Expenses</b>										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	0.00	0.0	30	(30)	120	120
645 - Dues & Subscriptions	0.00	0.0	167	(167)	0.00	0.0	500	(500)	2,000	2,000
710 - Meetings	0.00	0.0	292	(292)	1,082.40	0.3	875	207	3,500	2,418
715 - Office & Administration	175.17	0.2	500	(325)	1,095.01	0.3	1,500	(405)	6,000	4,905
715.1 - Office/Admin - Site Office	143.91	0.1	150	(6)	231.34	0.1	450	(219)	1,800	1,569
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	150	(150)	600	600
715.3 - Office/Rec Area WiFi	116.02	0.1	120	(4)	337.64	0.1	360	(22)	1,440	1,102
720 - Operating Supplies *	392.17	0.3	250	142	818.59	0.2	750	69	3,000	2,181
910 - Depreciation	310.00	0.3	310	0	930.00	0.3	930	0	3,720	2,790
<b>Total Administration Exp</b>	<b>1,137.27</b>	<b>1.0</b>	<b>1,849</b>	<b>(712)</b>	<b>4,494.98</b>	<b>1.2</b>	<b>5,545</b>	<b>(1,050)</b>	<b>22,180</b>	<b>17,685</b>
<b>Employee Costs</b>										
610 - Auto *	191.53	0.2	100	92	304.19	0.1	300	4	1,200	896
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	150	(150)	600	600
653 - Emp/Ben.-Medical *	1,343.98	1.2	1,285	59	3,749.34	1.0	3,854	(105)	15,415	11,666
780 - Salaries & Wages	12,878.54	11.3	13,180	(301)	38,960.78	10.7	39,540	(579)	158,160	119,199
801 - P/R Ins. - TDI & WC *	662.49	0.6	401	261	1,435.58	0.4	1,202	234	4,808	3,372
802 - Taxes - Payroll *	1,658.15	1.5	1,328	330	4,626.86	1.3	3,985	642	15,938	11,311
812 - Uniforms *	40.86	0.0	17	24	40.86	0.0	50	(9)	200	159
<b>Total Employee Costs</b>	<b>16,775.55</b>	<b>14.7</b>	<b>16,361</b>	<b>415</b>	<b>49,117.61</b>	<b>13.4</b>	<b>49,081</b>	<b>37</b>	<b>196,321</b>	<b>147,203</b>
<b>Insurance Expense</b>										
677 - Ins. - Bond	44.17	0.0	50	(6)	132.51	0.0	150	(17)	600	467
678 - Ins. Business Interruption	0.00	0.0	167	(167)	0.00	0.0	500	(500)	2,000	2,000
679 - Ins. - Dir./Officers	598.50	0.5	1,249	(651)	1,795.50	0.5	3,746	(1,951)	14,982	13,187
680 - Ins. - Package	4,812.92	4.2	5,542	(729)	14,438.76	3.9	16,625	(2,186)	66,500	52,061
683 - Ins. - CGL	339.00	0.3	342	(3)	1,017.00	0.3	1,025	(8)	4,100	3,083
684 - Ins. - Umbrella	200.00	0.2	225	(25)	600.00	0.2	675	(75)	2,700	2,100
<b>Total Insurance Expenses</b>	<b>5,994.59</b>	<b>5.3</b>	<b>7,575</b>	<b>(1,580)</b>	<b>17,983.77</b>	<b>4.9</b>	<b>22,721</b>	<b>(4,737)</b>	<b>90,882</b>	<b>72,898</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 3 Months Ended March 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	10,374.00	2.8	10,374	0	41,496	31,122
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	4.41	0.0	1,158	(1,154)	4,631	4,627
732 - Prof.Svc.- Legal	52.08	0.0	417	(365)	52.08	0.0	1,250	(1,198)	5,000	4,948
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	1,250	(1,250)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	247	(247)	988	988
<b>Total Professional Exp</b>	<u>3,510.08</u>	<u>3.1</u>	<u>4,760</u>	<u>(1,250)</u>	<u>10,430.49</u>	<u>2.9</u>	<u>14,279</u>	<u>(3,849)</u>	<u>57,115</u>	<u>46,685</u>
<b>Repairs &amp; Maint Expenses</b>										
746 - R/M - Buildings	998.43	0.9	1,250	(252)	1,760.01	0.5	3,750	(1,990)	15,000	13,240
750 - R/M - Equipment	0.00	0.0	250	(250)	552.73	0.2	750	(197)	3,000	2,447
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	600	(600)	2,400	2,400
753 - R/M - Landscape Upgrades	822.91	0.7	125	698	822.91	0.2	375	448	1,500	677
754 - R/M - Grounds	0.00	0.0	83	(83)	266.61	0.1	250	17	1,000	733
755 - R/M - Grounds Contractor	23,800.00	20.9	23,893	(93)	71,400.00	19.5	71,679	(279)	286,716	215,316
756 - R/M - Irrigation	136.56	0.1	667	(530)	251.04	0.1	2,000	(1,749)	8,000	7,749
760 - R/M - Pest Control	0.00	0.0	583	(583)	1,597.91	0.4	1,748	(150)	6,991	5,393
762 - R/M - Pool, Spa, BBQ	2,095.52	1.8	2,467	(371)	6,586.07	1.8	7,400	(814)	29,600	23,014
764 - R/M - Refuse Collection	1,540.84	1.4	1,656	(115)	4,622.52	1.3	4,969	(346)	19,874	15,251
764.1 - R/M - Recycling	770.53	0.7	857	(86)	2,311.59	0.6	2,571	(259)	10,283	7,971
767 - R/M - Security Contract	1,176.04	1.0	1,354	(178)	3,706.25	1.0	4,063	(357)	16,250	12,544
<b>Total Repairs &amp; Maint Exp</b>	<u>31,340.83</u>	<u>27.5</u>	<u>33,385</u>	<u>(2,044)</u>	<u>93,877.64</u>	<u>25.7</u>	<u>100,155</u>	<u>(6,277)</u>	<u>400,614</u>	<u>306,736</u>
<b>Tax Expenses</b>										
796 - Taxes - Gen. Excise	57.90	0.1	110	(52)	659.17	0.2	331	328	1,324	665
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	3,000	(3,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	437	(437)	1,750	1,750
<b>Total Tax Expenses</b>	<u>57.90</u>	<u>0.1</u>	<u>1,256</u>	<u>(1,198)</u>	<u>659.17</u>	<u>0.2</u>	<u>3,768</u>	<u>(3,109)</u>	<u>15,074</u>	<u>14,415</u>
<b>Utility Expense</b>										
826 - Util. - Cable TV	6,011.39	5.3	6,311	(300)	12,420.39	3.4	18,933	(6,513)	75,732	63,312
828 - Util. - Electric *	2,391.31	2.1	2,211	180	7,732.16	2.1	6,633	1,099	26,533	18,801
830 - Util. - Gas *	81.11	0.1	50	31	159.11	0.0	150	9	600	441
832 - Util. - Sewer *	5,781.00	5.1	5,482	299	14,761.50	4.0	16,447	(1,686)	65,787	51,026
834 - Util. - Telephone *	265.81	0.2	250	16	828.66	0.2	750	79	3,000	2,171
838 - Util. - Water	8,005.75	7.0	12,147	(4,141)	20,769.46	5.7	36,441	(15,672)	145,763	124,994
<b>Total Utility Expenses</b>	<u>22,536.37</u>	<u>19.8</u>	<u>26,451</u>	<u>(3,915)</u>	<u>56,671.28</u>	<u>15.5</u>	<u>79,354</u>	<u>(22,683)</u>	<u>317,415</u>	<u>260,744</u>
<b>Reserves &amp; Other Exp</b>										
915 - Capital Reserves	23,100.54	20.3	23,101	(0)	69,301.62	18.9	69,302	(0)	277,206	207,904
916 - Reserves Interest	598.92	0.5	1,208	(609)	3,461.86	0.9	3,625	(163)	14,500	11,038
<b>Total Reserve &amp; Other Exp</b>	<u>23,699.46</u>	<u>20.8</u>	<u>24,309</u>	<u>(610)</u>	<u>72,763.48</u>	<u>19.9</u>	<u>72,927</u>	<u>(164)</u>	<u>291,706</u>	<u>218,943</u>
<b>Total Operating Expenses and Reserve Allocation</b>										
<b>Total Revenue Over Exp</b>	<u>8,773.67</u>	<u>7.7</u>	<u>(643)</u>	<u>9,417</u>	<u>59,715.22</u>	<u>16.3</u>	<u>(1,920)</u>	<u>61,635</u>	<u>(7,667)</u>	<u>(67,382)</u>
<b>Beginning Members' Equity</b>					<u>249,598.45</u>					
<b>Ending Members' Equity</b>					<u>309,313.67</u>					

**Wailea Fairway Villas Association**  
**Statement of Cash Flows - Tax Basis**  
**For the 1 Month and 3 Months Ended March 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (Loss)	\$ 8,773.67	\$ 59,715.22
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	930.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(387.44)	(3,156.31)
Prepays	6,432.17	13,943.44
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(15,265.14)	(24,307.02)
Accrued Liabilities	2,454.42	(4,722.17)
Total Adjustments	<u>(6,455.99)</u>	<u>(17,312.06)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>2,317.68</u>	<u>42,403.16</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**

2,317.68                      42,403.16

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

324,316.45                      284,230.97

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

\$ 326,634.13                      \$ 326,634.13