



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 Five Months Ended

May 31, 2023

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I have prepared the accompanying Balance Sheet – Tax Basis as of May 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 Five 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
May 31, 2023 and 2022

Assets

	2023	2022
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 150,093.23	\$ 38,579.50
Ckg - CIT Debit Card ****4202	2,594.82	2,700.90
MMkt - CIT Savings *****2119	<u>132,242.89</u>	<u>231,423.41</u>
Subtotal - Cash	<u>284,930.94</u>	<u>272,703.81</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	12,651.55	1,269.55
A/R - Prior & Collection	0.00	29,734.22
Allowance for Bad Debts	<u>0.00</u>	<u>(21,723.26)</u>
Subtotal - Accounts Receivable	<u>12,651.55</u>	<u>9,280.51</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	4,982.00	6,076.00
Prepaid State Income Tax	1,176.00	1,341.00
Unexpired Insurance	83,554.98	70,058.77
NJF Clearing Account	<u>0.00</u>	<u>98,189.23</u>
Subtotal - Other Current Assets	<u>89,712.98</u>	<u>175,665.00</u>
TOTAL CURRENT ASSETS	<u>387,295.47</u>	<u>457,649.32</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	1,103,835.39	2,234,402.73
Edward Jones	<u>1,004,674.35</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>2,108,509.74</u>	<u>2,234,402.73</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(29,760.00)</u>	<u>(26,040.00)</u>
Subtotal - Fixed Assets	<u>44,640.00</u>	<u>48,360.00</u>
TOTAL OTHER ASSETS	<u>2,153,149.74</u>	<u>2,282,762.73</u>
TOTAL ASSETS	<u><u>\$ 2,540,445.21</u></u>	<u><u>\$ 2,740,412.05</u></u>

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

Liabilities and Fund Balances

	2023	2022
CURRENT LIABILITIES		
A/P - Trade	\$ 24,618.33	\$ 24,515.53
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	0.00	209.29
Owner Prepayments	48,478.21	53,474.61
A/P - NJF Units	0.00	98,189.23
A/P - Insurance	40,388.00	41,241.00
Accrued General Excise Tx	<u>167.15</u>	<u>242.64</u>
Subtotal - Current Liabilities	<u>122,516.96</u>	<u>226,737.57</u>
TOTAL CURRENT LIABILITIES	<u>122,516.96</u>	<u>226,737.57</u>
TOTAL LIABILITIES	<u>122,516.96</u>	<u>226,737.57</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	309,418.51	279,271.75
Restricted Members' Equity	<u>2,108,509.74</u>	<u>2,234,402.73</u>
Subtotal Members' Equity	<u>2,417,928.25</u>	<u>2,513,674.48</u>
TOTAL MEMBERS' EQUITY	<u>2,417,928.25</u>	<u>2,513,674.48</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,540,445.21</u></u>	<u><u>\$ 2,740,412.05</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 5 Months Ended May 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	78.6	89,277	0	446,387.30	75.1	446,387	0	1,071,330	624,943
406 - Capital Reserve	23,100.54	20.3	23,101	(0)	115,502.70	19.4	115,503	(0)	277,206	161,703
415 - Delinquent Owners Late Fee	50.00	0.0	150	(100)	1,180.64	0.2	750	431	1,800	619
416 - Delinquent Owners Interest	131.52	0.1	17	115	595.03	0.1	85	510	204	(391)
418 - Insurance Evidence Fine	0.00	0.0	0	0	300.00	0.1	0	300	0	(300)
425 - House Rule Violations	350.00	0.3	167	183	10,800.00	1.8	833	9,967	2,000	(8,800)
Total Membership Income	112,909.52	99.5	112,712	198	574,765.67	96.7	563,558	11,208	1,352,540	777,774
Non-Membership Income										
430 - Interest Income	48.42	0.0	208	(160)	234.01	0.0	1,042	(808)	2,500	2,266
431 - Reserve Interest Income	593.08	0.5	1,208	(615)	6,401.83	1.1	6,042	360	14,500	8,098
441 - Kayak Rack Rental	(30.00)	0.0	167	(197)	1,095.00	0.2	833	262	2,000	905
499 - Other Income	0.00	0.0	8	(8)	90.00	0.0	42	48	100	10
499.1 - Spectrum	0.00	0.0	1,000	(1,000)	12,100.00	2.0	5,000	7,100	12,000	(100)
Total Non-Membership Income	611.50	0.5	2,591	(1,980)	19,920.84	3.3	12,959	6,962	31,100	11,179
Total Revenues	113,521.02	100.	115,303	(1,782)	594,686.51	100.	576,517	18,170	1,383,640	788,953
Operating Expenses										
Administration Expenses										
625 - Bank Charges/Merchant Fee	0.00	0.0	10	(10)	0.00	0.0	50	(50)	120	120
645 - Dues & Subscriptions	0.00	0.0	167	(167)	0.00	0.0	833	(833)	2,000	2,000
710 - Meetings *	364.58	0.3	292	73	2,041.51	0.3	1,458	584	3,500	1,458
715 - Office & Administration	346.02	0.3	500	(154)	1,898.31	0.3	2,500	(602)	6,000	4,102
715.1 - Office/Admin - Site Office *	196.26	0.2	150	46	600.10	0.1	750	(150)	1,800	1,200
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	250	(250)	600	600
715.3 - Office/Rec Area WiFi	116.02	0.1	120	(4)	569.68	0.1	600	(30)	1,440	870
720 - Operating Supplies *	271.57	0.2	250	22	1,090.16	0.2	1,250	(160)	3,000	1,910
910 - Depreciation	310.00	0.3	310	0	1,550.00	0.3	1,550	0	3,720	2,170
Total Administration Exp	1,604.45	1.4	1,849	(245)	7,749.76	1.3	9,241	(1,491)	22,180	14,430
Employee Costs										
610 - Auto	79.91	0.1	100	(20)	455.49	0.1	500	(45)	1,200	745
648 - Education & Seminars	0.00	0.0	50	(50)	0.00	0.0	250	(250)	600	600
653 - Emp/Ben.-Medical	1,202.68	1.1	1,285	(82)	6,154.70	1.0	6,423	(268)	15,415	9,260
780 - Salaries & Wages	13,453.23	11.9	13,180	273	65,815.67	11.1	65,900	(84)	158,160	92,344
801 - P/R Ins. - TDI & WC *	437.58	0.4	401	37	2,310.74	0.4	2,003	308	4,808	2,497
802 - Taxes - Payroll *	1,568.64	1.4	1,328	241	7,758.14	1.3	6,641	1,117	15,938	8,180
812 - Uniforms	0.00	0.0	17	(17)	40.86	0.0	83	(42)	200	159
Total Employee Costs	16,742.04	14.7	16,361	381	82,535.60	13.9	81,800	736	196,321	113,785
Insurance Expense										
677 - Ins. - Bond	45.33	0.0	50	(5)	222.01	0.0	250	(28)	600	378
678 - Ins. Business Interruption	136.42	0.1	167	(31)	136.42	0.0	833	(697)	2,000	1,864
679 - Ins. - Dir./Officers	1,531.58	1.3	1,249	283	11,057.58	1.9	6,243	4,815	14,982	3,924
680 - Ins. - Package	4,978.08	4.4	5,542	(564)	24,229.76	4.1	27,708	(3,478)	66,500	42,270
683 - Ins. - CGL	340.08	0.3	342	(2)	1,696.08	0.3	1,708	(12)	4,100	2,404
684 - Ins. - Umbrella	246.17	0.2	225	21	1,046.17	0.2	1,125	(79)	2,700	1,654
Total Insurance Expenses	7,277.66	6.4	7,575	(297)	38,388.02	6.5	37,867	521	90,882	52,494

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 5 Months Ended May 31, 2023

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Professional Services										
705 - Management Fee	3,458.00	3.0	3,458	0	17,290.00	2.9	17,290	0	41,496	24,206
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	4.41	0.0	1,930	(1,926)	4,631	4,627
732 - Prof.Svc.- Legal	72.92	0.1	417	(344)	307.29	0.1	2,083	(1,776)	5,000	4,693
733 - Prof.Svc.- Reserve	0.00	0.0	417	(417)	0.00	0.0	2,083	(2,083)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	412	(412)	988	988
Total Professional Exp	<u>3,530.92</u>	<u>3.1</u>	<u>4,760</u>	<u>(1,229)</u>	<u>17,601.70</u>	<u>3.0</u>	<u>23,798</u>	<u>(6,196)</u>	<u>57,115</u>	<u>39,513</u>
Repairs & Maint Expenses										
746 - R/M - Buildings	509.86	0.4	1,250	(740)	2,521.92	0.4	6,250	(3,728)	15,000	12,478
750 - R/M - Equipment *	349.04	0.3	250	99	901.77	0.2	1,250	(348)	3,000	2,098
752 - R/M - Fire Equip. *	1,541.66	1.4	200	1,342	1,541.66	0.3	1,000	542	2,400	858
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	822.91	0.1	625	198	1,500	677
754 - R/M - Grounds	0.00	0.0	83	(83)	266.61	0.0	417	(150)	1,000	733
755 - R/M - Grounds Contractor	23,800.00	21.0	23,893	(93)	119,000.00	20.0	119,465	(465)	286,716	167,716
756 - R/M - Irrigation	0.00	0.0	667	(667)	987.45	0.2	3,333	(2,346)	8,000	7,013
760 - R/M - Pest Control	0.00	0.0	583	(583)	3,195.82	0.5	2,913	283	6,991	3,795
762 - R/M - Pool, Spa, BBQ	2,018.28	1.8	2,467	(449)	12,397.42	2.1	12,333	64	29,600	17,203
764 - R/M - Refuse Collection	1,540.84	1.4	1,656	(115)	7,704.20	1.3	8,281	(577)	19,874	12,170
764.1 - R/M - Recycling	770.53	0.7	857	(86)	3,852.65	0.6	4,285	(432)	10,283	6,430
767 - R/M - Security Contract	1,354.17	1.2	1,354	0	6,592.72	1.1	6,771	(178)	16,250	9,657
Total Repairs & Maint Exp	<u>31,884.38</u>	<u>28.1</u>	<u>33,385</u>	<u>(1,501)</u>	<u>159,785.13</u>	<u>26.9</u>	<u>166,923</u>	<u>(7,138)</u>	<u>400,614</u>	<u>240,829</u>
Tax Expenses										
796 - Taxes - Gen. Excise	45.72	0.0	110	(64)	1,310.36	0.2	552	758	1,324	14
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	5,000	(5,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	729	(729)	1,750	1,750
Total Tax Expenses	<u>45.72</u>	<u>0.0</u>	<u>1,256</u>	<u>(1,210)</u>	<u>1,310.36</u>	<u>0.2</u>	<u>6,281</u>	<u>(4,971)</u>	<u>15,074</u>	<u>13,764</u>
Utility Expense										
826 - Util. - Cable TV	6,035.82	5.3	6,311	(275)	24,491.91	4.1	31,555	(7,063)	75,732	51,240
826.1 - Util. - HUI Participation Fe	281.77	0.2	0	282	281.77	0.0	0	282	0	(282)
828 - Util. - Electric	1,642.77	1.4	2,211	(568)	11,262.05	1.9	11,055	207	26,533	15,271
830 - Util. - Gas	0.00	0.0	50	(50)	296.38	0.0	250	46	600	304
832 - Util. - Sewer *	5,565.00	4.9	5,482	83	26,328.00	4.4	27,411	(1,083)	65,787	39,459
834 - Util. - Telephone *	265.21	0.2	250	15	1,359.13	0.2	1,250	109	3,000	1,641
838 - Util. - Water	9,351.25	8.2	12,147	(2,796)	41,572.11	7.0	60,735	(19,163)	145,763	104,191
Total Utility Expenses	<u>23,141.82</u>	<u>20.4</u>	<u>26,451</u>	<u>(3,309)</u>	<u>105,591.35</u>	<u>17.8</u>	<u>132,256</u>	<u>(26,665)</u>	<u>317,415</u>	<u>211,824</u>
Reserves & Other Exp										
915 - Capital Reserves	23,100.54	20.3	23,101	(0)	115,502.70	19.4	115,503	(0)	277,206	161,703
916 - Reserves Interest	593.08	0.5	1,208	(615)	6,401.83	1.1	6,042	360	14,500	8,098
Total Reserve & Other Exp	<u>23,693.62</u>	<u>20.9</u>	<u>24,309</u>	<u>(615)</u>	<u>121,904.53</u>	<u>20.5</u>	<u>121,545</u>	<u>360</u>	<u>291,706</u>	<u>169,801</u>
Total Operating Expenses and Reserve Allocation										
Total Operating Expenses and Reserve Allocation	<u>107,920.61</u>	<u>95.1</u>	<u>115,946</u>	<u>(8,025)</u>	<u>534,866.45</u>	<u>89.9</u>	<u>579,711</u>	<u>(44,845)</u>	<u>1,391,307</u>	<u>856,441</u>
Total Revenue Over Exp	<u>5,600.41</u>	<u>4.9</u>	<u>(643)</u>	<u>6,243</u>	<u>59,820.06</u>	<u>10.1</u>	<u>(3,194)</u>	<u>63,014</u>	<u>(7,667)</u>	<u>(67,487)</u>
Beginning Members' Equity					<u>249,598.45</u>					
Ending Members' Equity					<u>309,418.51</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 5 Months Ended May 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 5,600.41	\$ 59,820.06
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	1,550.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(817.14)	(5,074.93)
Prepays	3,124.24	(59,241.15)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(74,899.51)	(21,459.16)
Accrued Liabilities	3,408.76	25,105.15
Total Adjustments	<u>(68,873.65)</u>	<u>(59,120.09)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(63,273.24)</u>	<u>699.97</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

(63,273.24) 699.97

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

348,204.18 284,230.97

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 284,930.94 \$ 284,930.94