



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 Six Months Ended

June 30, 2021

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I have prepared the accompanying Balance Sheet – Tax Basis as of June 30, 2021, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Six 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
June 30, 2021 and 2020**

Assets

	2021	2020
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 67,757.53	\$ 130,594.12
Ckg - CIT Debit Card ****4202	2,406.06	2,750.85
MMkt - CIT Savings *****2119	26,616.28	26,573.15
CDAR - CIT Savings *****8249 3/17/22	<u>203,490.35</u>	<u>200,000.00</u>
Subtotal - Cash	<u>300,270.22</u>	<u>359,918.12</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	9,732.93	6,877.44
A/R - Act 196 & Collection	29,315.49	29,218.76
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>596.72</u>	<u>250.74</u>
Subtotal - Accounts Receivable	<u>17,921.88</u>	<u>14,623.68</u>
OTHER CURRENT ASSETS		
Unexpired Insurance	60,093.79	56,938.41
NJF Clearing Account	<u>98,722.50</u>	<u>86,748.61</u>
Subtotal - Other Current Assets	<u>158,816.29</u>	<u>143,687.02</u>
TOTAL CURRENT ASSETS	<u>477,008.39</u>	<u>518,228.82</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	2,229,073.05	1,150,777.53
MOO - Wealth Management	<u>0.00</u>	<u>850,000.00</u>
Subtotal - Capital Reserves	<u>2,229,073.05</u>	<u>2,000,777.53</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(22,630.00)</u>	<u>(18,910.00)</u>
Subtotal - Fixed Assets	<u>51,770.00</u>	<u>55,490.00</u>
TOTAL OTHER ASSETS	<u>2,280,843.05</u>	<u>2,056,267.53</u>
TOTAL ASSETS	<u>\$ 2,757,851.44</u>	<u>\$ 2,574,496.35</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
June 30, 2021 and 2020**

Liabilities and Fund Balances

	2021	2020
CURRENT LIABILITIES		
A/P - Trade	\$ 21,967.26	\$ 41,324.24
A/P Insur. Water Damage Claims	8,865.27	8,861.27
A/P - Other	209.18	0.00
Owner Prepayments	59,660.55	45,998.37
A/P - NJF Units	98,722.50	86,748.61
A/P - Insurance	32,797.00	30,842.00
Accrued General Excise Tx	410.96	573.13
Accrued Federal Income Tax	0.00	4,249.00
Accrued State Income Tax	0.00	584.00
Accrued Salaries/Wages	0.00	100.00
Accrued Federal Tax W/H	0.00	41.20
Accrued FICA Tax W/H	0.00	124.00
Accrued Medicare W/H	0.00	29.00
Accrued State Tax W/H	0.00	165.06
	<u>222,632.72</u>	<u>219,639.88</u>
Subtotal - Current Liabilities		
	<u>222,632.72</u>	<u>219,639.88</u>
TOTAL CURRENT LIABILITIES		
	<u>222,632.72</u>	<u>219,639.88</u>
TOTAL LIABILITIES		
	<u>222,632.72</u>	<u>219,639.88</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	306,145.67	354,078.94
Restricted Members' Equity	2,229,073.05	2,000,777.53
	<u>2,535,218.72</u>	<u>2,354,856.47</u>
Subtotal Members' Equity		
	<u>2,535,218.72</u>	<u>2,354,856.47</u>
TOTAL MEMBERS' EQUITY		
	<u>2,535,218.72</u>	<u>2,354,856.47</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY		
	<u>\$ 2,757,851.44</u>	<u>\$ 2,574,496.35</u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 2021

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	75,989.82	75.1	75,990	(0)	458,030.67	74.5	455,940	2,091	911,880	453,849
406 - Capital Reserve	21,000.18	20.7	21,000	0	126,001.08	20.5	126,001	0	252,002	126,001
415 - Delinquent Owners Late Fee	516.00	0.5	0	516	1,734.30	0.3	0	1,734	0	(1,734)
416 - Delinquent Owners Interest	150.96	0.1	0	151	436.31	0.1	0	436	0	(436)
420 - Tenant Information Form	0.00	0.0	0	0	150.00	0.0	0	150	0	(150)
425 - House Rule Violations	250.00	0.2	0	250	4,250.00	0.7	0	4,250	0	(4,250)
Total Membership Income	<u>97,906.96</u>	<u>96.7</u>	<u>96,990</u>	<u>917</u>	<u>590,602.36</u>	<u>96.0</u>	<u>581,941</u>	<u>8,661</u>	<u>1,163,882</u>	<u>573,280</u>
Non-Membership Income										
430 - Interest Income	7.07	0.0	100	(93)	3,538.30	0.6	600	2,938	1,200	(2,338)
431 - Reserve Interest Income	345.47	0.3	800	(455)	10,760.86	1.7	4,800	5,961	9,600	(1,161)
440.80 - NJF Rental Income	2,700.00	2.7	2,500	200	10,550.00	1.7	15,000	(4,450)	30,000	19,450
441 - Kayak Rack Rental	180.00	0.2	108	72	(405.00)	(0.1)	650	(1,055)	1,300	1,705
499 - Other Income	95.00	0.1	0	95	155.00	0.0	0	155	0	(155)
Total Non-Membership Income	<u>3,327.54</u>	<u>3.3</u>	<u>3,508</u>	<u>(180)</u>	<u>24,599.16</u>	<u>4.0</u>	<u>21,050</u>	<u>3,549</u>	<u>42,100</u>	<u>17,501</u>
Total Revenues	<u>101,234.50</u>	<u>100.</u>	<u>100,498</u>	<u>737</u>	<u>615,201.52</u>	<u>100.</u>	<u>602,991</u>	<u>12,211</u>	<u>1,205,982</u>	<u>590,780</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	712.00	0.7	712	0	4,272.00	0.7	4,272	0	8,544	4,272
701.2 - NJF Unit - Rental Agent Fe	270.00	0.3	250	20	1,264.18	0.2	1,500	(236)	3,000	1,736
701.3 - NJF Repairs & Maint	(64.41)	(0.1)	133	(197)	846.31	0.1	800	46	1,600	754
701.4 - NJF GET Expense	108.00	0.1	89	19	505.67	0.1	531	(25)	1,062	556
Total NJF Unit Expenses	<u>1,025.59</u>	<u>1.0</u>	<u>1,184</u>	<u>(158)</u>	<u>6,888.16</u>	<u>1.1</u>	<u>7,103</u>	<u>(215)</u>	<u>14,206</u>	<u>7,318</u>
Administration Expenses										
625 - Bank Charges/Merchant	10.00	0.0	10	0	80.00	0.0	60	20	120	40
645 - Dues & Subscriptions *	630.63	0.6	167	464	1,384.63	0.2	1,002	383	2,004	619
710 - Meetings	0.00	0.0	275	(275)	1,716.74	0.3	1,650	67	3,300	1,583
715 - Office & Administration *	647.62	0.6	500	148	2,429.22	0.4	3,000	(571)	6,000	3,571
715.1 - Office/Admin - Site Office	63.10	0.1	200	(137)	773.91	0.1	1,200	(426)	2,400	1,626
720 - Operating Supplies	0.00	0.0	167	(167)	1,011.93	0.2	1,000	12	2,000	988
910 - Depreciation	310.00	0.3	310	0	1,860.00	0.3	1,860	0	3,720	1,860
Total Administration Exp	<u>1,661.35</u>	<u>1.6</u>	<u>1,629</u>	<u>32</u>	<u>9,256.43</u>	<u>1.5</u>	<u>9,772</u>	<u>(516)</u>	<u>19,544</u>	<u>10,288</u>
Employee Costs										
610 - Auto	47.04	0.0	83	(36)	361.20	0.1	500	(139)	1,000	639
648 - Education & Seminars	0.00	0.0	100	(100)	0.00	0.0	600	(600)	1,200	1,200
653 - Emp/Ben.-Medical	1,123.74	1.1	1,178	(54)	7,059.01	1.1	7,070	(11)	14,139	7,080
780 - Salaries & Wages	11,593.89	11.5	11,573	21	68,799.54	11.2	69,440	(640)	138,880	70,080
801 - P/R Ins. - TDI & WC *	481.90	0.5	429	53	2,153.83	0.4	2,576	(422)	5,152	2,998
802 - Taxes - Payroll *	1,282.32	1.3	1,161	121	7,693.39	1.3	6,966	727	13,932	6,239
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	100	(100)	200	200
Total Employee Costs	<u>14,528.89</u>	<u>14.4</u>	<u>14,541</u>	<u>(12)</u>	<u>86,066.97</u>	<u>14.0</u>	<u>87,252</u>	<u>(1,185)</u>	<u>174,503</u>	<u>88,436</u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 2021

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	42	(7)	213.00	0.0	250	(37)	500	287
678 - Ins. Business Interruption	106.50	0.1	113	(7)	631.00	0.1	678	(47)	1,356	725
679 - Ins. - Dir./Officers	489.42	0.5	317	172	1,991.16	0.3	1,902	89	3,804	1,813
680 - Ins. - Package	4,627.83	4.6	4,902	(274)	27,408.66	4.5	29,412	(2,003)	58,824	31,415
683 - Ins. - CGL	358.00	0.4	363	(5)	2,148.00	0.3	2,178	(30)	4,356	2,208
684 - Ins. - Umbrella	189.58	0.2	179	11	1,070.84	0.2	1,074	(3)	2,148	1,077
Total Insurance Expenses	5,806.83	5.7	5,916	(109)	33,462.66	5.4	35,494	(2,031)	70,988	37,525
Professional Services										
705 - Management Fee	3,276.00	3.2	3,276	0	19,656.00	3.2	19,656	0	39,312	19,656
731 - Prof.Svc.- Audit	0.00	0.0	374	(374)	53.10	0.0	2,244	(2,191)	4,488	4,435
732 - Prof.Svc.- Legal *	1,171.80	1.2	417	755	4,800.37	0.8	2,500	2,300	5,000	200
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	494	(494)	988	988
Total Professional Exp	4,447.80	4.4	4,149	299	24,509.47	4.0	24,894	(385)	49,788	25,279
Repairs & Maint Expenses										
746 - R/M - Buildings *	851.08	0.8	833	18	6,780.00	1.1	5,000	1,780	10,000	3,220
750 - R/M - Equipment	185.06	0.2	250	(65)	185.06	0.0	1,500	(1,315)	3,000	2,815
752 - R/M - Fire Equip.	41.67	0.0	200	(158)	1,703.12	0.3	1,200	503	2,400	697
753 - R/M - Landscape Upgrades	56.25	0.1	125	(69)	138.65	0.0	750	(611)	1,500	1,361
754 - R/M - Grounds	0.00	0.0	167	(167)	(33.09)	0.0	1,000	(1,033)	2,000	2,033
755 - R/M - Grounds Contractor	21,160.00	20.9	21,160	0	126,960.00	20.6	126,960	0	253,920	126,960
756 - R/M - Irrigation *	1,841.17	1.8	800	1,041	3,199.59	0.5	4,800	(1,600)	9,600	6,400
760 - R/M - Pest Control	0.00	0.0	555	(555)	1,618.74	0.3	3,329	(1,710)	6,658	5,039
762 - R/M - Pool, Spa, BBQ	2,078.39	2.1	2,144	(66)	10,209.42	1.7	12,863	(2,654)	25,725	15,516
764 - R/M - Refuse Collection	1,397.60	1.4	1,551	(153)	8,385.60	1.4	9,305	(919)	18,610	10,224
764.1 - R/M - Recycling	733.84	0.7	808	(74)	4,403.04	0.7	4,847	(444)	9,694	5,291
767 - R/M - Security Contract *	1,041.67	1.0	1,000	42	6,250.02	1.0	6,000	250	12,000	5,750
Total Repairs & Maint Exp	29,386.73	29.0	29,593	(206)	169,800.15	27.6	177,554	(7,754)	355,107	185,307
Tax Expenses										
796 - Taxes - Gen. Excise	61.78	0.1	40	22	809.37	0.1	240	569	480	(329)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	6,000	(6,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	875	(875)	1,750	1,750
Total Tax Expenses	61.78	0.1	1,186	(1,124)	809.37	0.1	7,115	(6,306)	14,230	13,421
Utility Expense										
826 - Util. - Cable TV *	4,362.20	4.3	4,054	308	26,173.78	4.3	24,326	1,848	48,652	22,478
828 - Util. - Electric	1,132.38	1.1	1,583	(451)	12,204.21	2.0	9,500	2,704	19,000	6,796
830 - Util. - Gas	39.93	0.0	75	(35)	220.07	0.0	450	(230)	900	680
832 - Util. - Sewer *	5,138.00	5.1	4,945	193	28,575.60	4.6	29,670	(1,094)	59,340	30,764
834 - Util. - Telephone *	257.54	0.3	250	8	1,500.71	0.2	1,500	1	3,000	1,499
838 - Util. - Water *	13,194.70	13.0	11,200	1,995	58,135.64	9.4	67,200	(9,064)	134,400	76,264
Total Utility Expenses	24,124.75	23.8	22,107	2,018	126,810.01	20.6	132,646	(5,836)	265,292	138,482

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 2021

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.7	21,000	0	126,001.08	20.5	126,001	0	252,002	126,001
916 - Reserves Interest	<u>345.47</u>	<u>0.3</u>	<u>800</u>	<u>(455)</u>	<u>10,760.86</u>	<u>1.7</u>	<u>4,800</u>	<u>5,961</u>	<u>9,600</u>	<u>(1,161)</u>
Total Reserve & Other Exp	<u>21,345.65</u>	<u>21.1</u>	<u>21,800</u>	<u>(454)</u>	<u>136,761.94</u>	<u>22.2</u>	<u>130,801</u>	<u>5,961</u>	<u>261,602</u>	<u>124,840</u>
Total Operating Expenses and Reserve Allocation	<u>102,389.37</u>	<u>101.</u>	<u>102,105</u>	<u>284</u>	<u>594,365.16</u>	<u>96.6</u>	<u>612,631</u>	<u>(18,266)</u>	<u>1,225,260</u>	<u>630,895</u>
Total Revenue Over Exp	<u>(1,154.87)</u>	<u>(1.1)</u>	<u>(1,607)</u>	<u>452</u>	<u>20,836.36</u>	<u>3.4</u>	<u>(9,640)</u>	<u>30,476</u>	<u>(19,278)</u>	<u>(40,114)</u>
Beginning Members' Equity					<u>285,309.31</u>					
Ending Members' Equity					<u>306,145.67</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 6 Months Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (1,154.87)	\$ 20,836.36
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	1,860.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(3,560.35)	(9,784.77)
Prepays	4,486.16	(43,668.87)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	3,842.63	(19,290.93)
Accrued Liabilities	(20,502.24)	29,496.39
Total Adjustments	<u>(15,423.80)</u>	<u>(41,388.18)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(16,578.67)</u>	<u>(20,551.82)</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

(16,578.67) (20,551.82)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

316,848.89 320,822.04

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 300,270.22 \$ 300,270.22