



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 Seven Months Ended

July 31, 2021

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I have prepared the accompanying Balance Sheet – Tax Basis as of July 31, 2021, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Seven 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
July 31, 2021 and 2020

Assets

	2021	2020
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 79,204.16	\$ 107,484.58
Ckg - CIT Debit Card ****4202	2,737.19	1,990.85
MMkt - CIT Savings *****2119	26,619.67	26,577.66
CDAR - CIT Savings *****8249 3/17/22	<u>203,490.35</u>	<u>200,000.00</u>
Subtotal - Cash	<u>312,051.37</u>	<u>336,053.09</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances (A-pg 11)	10,570.03	7,231.59
A/R - Act 196 & Collection (B-pg 11)	29,315.49	29,218.76
Allowance for Bad Debts (C-pg 11)	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>265.67</u>	<u>1,010.84</u>
Subtotal - Accounts Receivable	<u>18,427.93</u>	<u>15,737.93</u>
OTHER CURRENT ASSETS		
Unexpired Insurance	53,997.63	51,145.33
NJF Clearing Account (D-pg 12)	<u>100,377.76</u>	<u>85,772.91</u>
Subtotal - Other Current Assets	<u>154,375.39</u>	<u>136,918.24</u>
TOTAL CURRENT ASSETS	<u>484,854.69</u>	<u>488,709.26</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank (E-pg 15)	2,244,757.49	1,171,341.12
MOO - Wealth Management (F-pg 15)	<u>0.00</u>	<u>850,000.00</u>
Subtotal - Capital Reserves (G-pg 14,15)	<u>2,244,757.49</u>	<u>2,021,341.12</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(22,940.00)</u>	<u>(19,220.00)</u>
Subtotal - Fixed Assets	<u>51,460.00</u>	<u>55,180.00</u>
TOTAL OTHER ASSETS	<u>2,296,217.49</u>	<u>2,076,521.12</u>
TOTAL ASSETS	<u>\$ 2,781,072.18</u>	<u>\$ 2,565,230.38</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
July 31, 2021 and 2020**

Liabilities and Fund Balances

	2021	2020
CURRENT LIABILITIES		
A/P - Trade (H-pg 13)	\$ 22,783.84	\$ 27,217.62
A/P Insur. Water Damage Claims	8,865.27	8,861.27
A/P - Other	11,927.97	0.00
Owner Prepayments (I-pg 11-12)	59,469.96	42,969.17
A/P - NJF Units (D-pg 12)	100,377.76	85,772.91
A/P - Insurance	28,310.00	26,436.00
Accrued General Excise Tx	<u>156.73</u>	<u>40.93</u>
Subtotal - Current Liabilities	<u>231,891.53</u>	<u>191,297.90</u>
TOTAL CURRENT LIABILITIES	<u>231,891.53</u>	<u>191,297.90</u>
TOTAL LIABILITIES	<u>231,891.53</u>	<u>191,297.90</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	304,423.16	352,591.36
Restricted Members' Equity (E)	<u>2,244,757.49</u>	<u>2,021,341.12</u>
Subtotal Members' Equity	<u>2,549,180.65</u>	<u>2,373,932.48</u>
TOTAL MEMBERS' EQUITY	<u>2,549,180.65</u>	<u>2,373,932.48</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,781,072.18</u></u>	<u><u>\$ 2,565,230.38</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2021

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	75,989.82	74.6	75,990	(0)	534,020.49	74.5	531,930	2,090	911,880	377,860
406 - Capital Reserve	21,000.18	20.6	21,000	0	147,001.26	20.5	147,001	0	252,002	105,001
415 - Delinquent Owners Late Fee	302.90	0.3	0	303	2,037.20	0.3	0	2,037	0	(2,037)
416 - Delinquent Owners Interest	104.84	0.1	0	105	541.15	0.1	0	541	0	(541)
420 - Tenant Information Form	0.00	0.0	0	0	150.00	0.0	0	150	0	(150)
425 - House Rule Violations	0.00	0.0	0	0	4,250.00	0.6	0	4,250	0	(4,250)
Total Membership Income	<u>97,397.74</u>	<u>95.7</u>	<u>96,990</u>	<u>408</u>	<u>688,000.10</u>	<u>96.0</u>	<u>678,931</u>	<u>9,069</u>	<u>1,163,882</u>	<u>475,882</u>
Non-Membership Income										
430 - Interest Income	6.97	0.0	100	(93)	3,545.27	0.5	700	2,845	1,200	(2,345)
431 - Reserve Interest Income	1,264.46	1.2	800	464	12,025.32	1.7	5,600	6,425	9,600	(2,425)
440.80 - NJF Rental Income	2,700.00	2.7	2,500	200	13,250.00	1.8	17,500	(4,250)	30,000	16,750
441 - Kayak Rack Rental	450.00	0.4	108	342	45.00	0.0	758	(713)	1,300	1,255
499 - Other Income	0.00	0.0	0	0	155.00	0.0	0	155	0	(155)
Total Non-Membership Income	<u>4,421.43</u>	<u>4.3</u>	<u>3,508</u>	<u>913</u>	<u>29,020.59</u>	<u>4.0</u>	<u>24,558</u>	<u>4,463</u>	<u>42,100</u>	<u>13,079</u>
Total Revenues	<u>101,819.17</u>	<u>100.</u>	<u>100,498</u>	<u>1,321</u>	<u>717,020.69</u>	<u>100.</u>	<u>703,489</u>	<u>13,532</u>	<u>1,205,982</u>	<u>488,961</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	712.00	0.7	712	0	4,984.00	0.7	4,984	0	8,544	3,560
701.2 - NJF Unit - Rental Agent Fe	270.00	0.3	250	20	1,534.18	0.2	1,750	(216)	3,000	1,466
701.3 - NJF Repairs & Maint	(45.26)	0.0	133	(178)	801.05	0.1	933	(132)	1,600	799
701.4 - NJF GET Expense	108.00	0.1	89	19	613.67	0.1	620	(6)	1,062	448
Total NJF Unit Expenses	<u>1,044.74</u>	<u>1.0</u>	<u>1,184</u>	<u>(139)</u>	<u>7,932.90</u>	<u>1.1</u>	<u>8,287</u>	<u>(354)</u>	<u>14,206</u>	<u>6,273</u>
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	80.00	0.0	70	10	120	40
645 - Dues & Subscriptions	0.00	0.0	167	(167)	1,384.63	0.2	1,169	216	2,004	619
710 - Meetings	0.00	0.0	275	(275)	1,716.74	0.2	1,925	(208)	3,300	1,583
715 - Office & Administration	435.17	0.4	500	(65)	2,864.39	0.4	3,500	(636)	6,000	3,136
715.1 - Office/Admin - Site Office	80.04	0.1	200	(120)	853.95	0.1	1,400	(546)	2,400	1,546
720 - Operating Supplies	0.00	0.0	167	(167)	1,011.93	0.1	1,167	(155)	2,000	988
910 - Depreciation	310.00	0.3	310	0	2,170.00	0.3	2,170	0	3,720	1,550
Total Administration Exp	<u>825.21</u>	<u>0.8</u>	<u>1,629</u>	<u>(804)</u>	<u>10,081.64</u>	<u>1.4</u>	<u>11,401</u>	<u>(1,319)</u>	<u>19,544</u>	<u>9,462</u>
Employee Costs										
610 - Auto	76.72	0.1	83	(6)	437.92	0.1	583	(145)	1,000	562
648 - Education & Seminars	0.00	0.0	100	(100)	0.00	0.0	700	(700)	1,200	1,200
653 - Emp/Ben.-Medical	1,123.74	1.1	1,178	(54)	8,182.75	1.1	8,248	(65)	14,139	5,956
780 - Salaries & Wages	11,460.00	11.3	11,573	(113)	80,259.54	11.2	81,013	(753)	138,880	58,620
801 - P/R Ins. - TDI & WC	289.33	0.3	429	(140)	2,443.16	0.3	3,005	(562)	5,152	2,709
802 - Taxes - Payroll	1,093.57	1.1	1,161	(67)	8,786.96	1.2	8,127	660	13,932	5,145
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	117	(117)	200	200
Total Employee Costs	<u>14,043.36</u>	<u>13.8</u>	<u>14,541</u>	<u>(498)</u>	<u>100,110.33</u>	<u>14.0</u>	<u>101,793</u>	<u>(1,683)</u>	<u>174,503</u>	<u>74,393</u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 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)	248.50	0.0	292	(44)	500	252
678 - Ins. Business Interruption	106.50	0.1	113	(7)	737.50	0.1	791	(54)	1,356	619
679 - Ins. - Dir./Officers	489.42	0.5	317	172	2,480.58	0.3	2,219	262	3,804	1,323
680 - Ins. - Package	4,627.83	4.5	4,902	(274)	32,036.49	4.5	34,314	(2,278)	58,824	26,788
683 - Ins. - CGL	358.00	0.4	363	(5)	2,506.00	0.3	2,541	(35)	4,356	1,850
684 - Ins. - Umbrella	189.58	0.2	179	11	1,260.42	0.2	1,253	7	2,148	888
Total Insurance Expenses	5,806.83	5.7	5,916	(109)	39,269.49	5.5	41,410	(2,141)	70,988	31,719
Professional Services										
705 - Management Fee	3,276.00	3.2	3,276	0	22,932.00	3.2	22,932	0	39,312	16,380
731 - Prof.Svc.- Audit	0.00	0.0	374	(374)	53.10	0.0	2,618	(2,565)	4,488	4,435
732 - Prof.Svc.- Legal *	1,015.56	1.0	417	599	5,815.93	0.8	2,917	2,899	5,000	(816)
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	576	(576)	988	988
Total Professional Exp	4,291.56	4.2	4,149	143	28,801.03	4.0	29,043	(242)	49,788	20,987
Repairs & Maint Expenses										
746 - R/M - Buildings *	1,271.05	1.2	833	438	8,051.05	1.1	5,833	2,218	10,000	1,949
750 - R/M - Equipment *	859.30	0.8	250	609	1,044.36	0.1	1,750	(706)	3,000	1,956
752 - R/M - Fire Equip. *	264.00	0.3	200	64	1,967.12	0.3	1,400	567	2,400	433
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	138.65	0.0	875	(736)	1,500	1,361
754 - R/M - Grounds	119.75	0.1	167	(47)	86.66	0.0	1,167	(1,080)	2,000	1,913
755 - R/M - Grounds Contractor	21,160.00	20.8	21,160	0	148,120.00	20.7	148,120	0	253,920	105,800
756 - R/M - Irrigation	0.00	0.0	800	(800)	3,199.59	0.4	5,600	(2,400)	9,600	6,400
760 - R/M - Pest Control *	1,597.91	1.6	555	1,043	3,216.65	0.4	3,884	(667)	6,658	3,441
762 - R/M - Pool, Spa, BBQ *	2,362.60	2.3	2,144	219	12,572.02	1.8	15,006	(2,434)	25,725	13,153
764 - R/M - Refuse Collection	1,467.47	1.4	1,551	(84)	9,853.07	1.4	10,856	(1,003)	18,610	8,757
764.1 - R/M - Recycling	770.53	0.8	808	(37)	5,173.57	0.7	5,655	(481)	9,694	4,520
767 - R/M - Security Contract *	1,041.67	1.0	1,000	42	7,291.69	1.0	7,000	292	12,000	4,708
Total Repairs & Maint Exp	30,914.28	30.4	29,593	1,321	200,714.43	28.0	207,146	(6,432)	355,107	154,393
Tax Expenses										
796 - Taxes - Gen. Excise	85.17	0.1	40	45	894.54	0.1	280	615	480	(415)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	7,000	(7,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	1,021	(1,021)	1,750	1,750
Total Tax Expenses	85.17	0.1	1,186	(1,101)	894.54	0.1	8,301	(7,406)	14,230	13,335
Utility Expense										
826 - Util. - Cable TV *	4,475.02	4.4	4,054	421	30,648.80	4.3	28,380	2,269	48,652	18,003
828 - Util. - Electric	1,474.33	1.4	1,583	(109)	13,678.54	1.9	11,083	2,596	19,000	5,321
830 - Util. - Gas	72.05	0.1	75	(3)	292.12	0.0	525	(233)	900	608
832 - Util. - Sewer *	5,147.00	5.1	4,945	202	33,722.60	4.7	34,615	(892)	59,340	25,617
834 - Util. - Telephone *	283.04	0.3	250	33	1,783.75	0.2	1,750	34	3,000	1,216
838 - Util. - Water *	12,814.45	12.6	11,200	1,614	70,950.09	9.9	78,400	(7,450)	134,400	63,450
Total Utility Expenses	24,265.89	23.8	22,107	2,159	151,075.90	21.1	154,753	(3,677)	265,292	114,216

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2021

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.6	21,000	0	147,001.26	20.5	147,001	0	252,002	105,001
916 - Reserves Interest	<u>1,264.46</u>	<u>1.2</u>	<u>800</u>	<u>464</u>	<u>12,025.32</u>	<u>1.7</u>	<u>5,600</u>	<u>6,425</u>	<u>9,600</u>	<u>(2,425)</u>
Total Reserve & Other Exp	<u>22,264.64</u>	<u>21.9</u>	<u>21,800</u>	<u>465</u>	<u>159,026.58</u>	<u>22.2</u>	<u>152,601</u>	<u>6,426</u>	<u>261,602</u>	<u>102,575</u>
Total Operating Expenses and										
Reserve Allocation	<u>103,541.68</u>	<u>101.</u>	<u>102,105</u>	<u>1,437</u>	<u>697,906.84</u>	<u>97.3</u>	<u>714,735</u>	<u>(16,828)</u>	<u>1,225,260</u>	<u>527,353</u>
Total Revenue Over Exp	<u>(1,722.51)</u>	<u>(1.7)</u>	<u>(1,607)</u>	<u>(116)</u>	19,113.85	<u>2.7</u>	<u>(11,246)</u>	<u>30,360</u>	<u>(19,278)</u>	<u>(38,392)</u>
Beginning Members' Equity					<u>285,309.31</u>					
Ending Members' Equity					<u>304,423.16</u>					

* see attached page 17 - Schedule VI for details

**Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 7 Months Ended July 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (1,722.51)	\$ 19,113.85
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,170.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(506.05)	(10,290.82)
Prepays	4,440.90	(39,227.97)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	816.58	(18,474.35)
Accrued Liabilities	8,442.23	37,938.62
Total Adjustments	<u>13,503.66</u>	<u>(27,884.52)</u>
Net Cash Provided By (Used in) Operating Activities	<u>11,781.15</u>	<u>(8,770.67)</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

11,781.15 (8,770.67)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

300,270.22 320,822.04

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 312,051.37 \$ 312,051.37