



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 Eight Months Ended

August 31, 2021

Table of Contents

	Page
Financial Statements	
Balance Sheet – Tax Basis	1-2
Income Statement and Changes in Members' Equity – Tax Basis	3-5
Statement of Cash Flows – Tax Basis	6

I have prepared the accompanying Balance Sheet – Tax Basis as of August 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 Eight 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
August 31, 2021 and 2020**

Assets

	2021	2020
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 56,022.19	\$ 115,261.08
Ckg - CIT Debit Card ****4202	2,405.29	523.30
MMkt - CIT Savings *****2119	26,623.06	26,582.17
CDAR - CIT Savings *****8249 3/17/22	<u>203,490.35</u>	<u>200,000.00</u>
Subtotal - Cash	<u>288,540.89</u>	<u>342,366.55</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	10,678.69	2,214.40
A/R - Prior & Collection	29,386.69	29,247.92
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>597.68</u>	<u>1,046.04</u>
Subtotal - Accounts Receivable	<u>18,939.80</u>	<u>10,785.10</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,600.00	0.00
Prepaid State Income Tax	1,200.00	0.00
Unexpired Insurance	47,901.47	45,352.25
NJF Clearing Account	<u>101,987.76</u>	<u>87,559.99</u>
Subtotal - Other Current Assets	<u>157,689.23</u>	<u>132,912.24</u>
TOTAL CURRENT ASSETS	<u>465,169.92</u>	<u>486,063.89</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	2,247,755.34	1,186,867.11
MOO - Wealth Management	<u>0.00</u>	<u>850,000.00</u>
Subtotal - Capital Reserves	<u>2,247,755.34</u>	<u>2,036,867.11</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(23,250.00)</u>	<u>(19,530.00)</u>
Subtotal - Fixed Assets	<u>51,150.00</u>	<u>54,870.00</u>
TOTAL OTHER ASSETS	<u>2,298,905.34</u>	<u>2,091,737.11</u>
TOTAL ASSETS	<u>\$ 2,764,075.26</u>	<u>\$ 2,577,801.00</u>

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

Liabilities and Fund Balances

	2021	2020
CURRENT LIABILITIES		
A/P - Trade	\$ 25,509.41	\$ 29,351.08
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	11,927.97	0.00
Owner Prepayments	44,627.17	44,340.46
A/P - NJF Units	101,987.76	87,559.99
A/P - Insurance	23,823.00	22,030.00
Accrued General Excise Tx	<u>294.43</u>	<u>275.65</u>
Subtotal - Current Liabilities	<u>217,035.01</u>	<u>192,422.45</u>
TOTAL CURRENT LIABILITIES	<u>217,035.01</u>	<u>192,422.45</u>
TOTAL LIABILITIES	<u>217,035.01</u>	<u>192,422.45</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	299,284.91	348,511.44
Restricted Members' Equity	<u>2,247,755.34</u>	<u>2,036,867.11</u>
Subtotal Members' Equity	<u>2,547,040.25</u>	<u>2,385,378.55</u>
TOTAL MEMBERS' EQUITY	<u>2,547,040.25</u>	<u>2,385,378.55</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,764,075.26</u></u>	<u><u>\$ 2,577,801.00</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 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	75.7	75,990	(0)	610,010.31	74.6	607,920	2,090	911,880	301,870
406 - Capital Reserve	21,000.18	20.9	21,000	0	168,001.44	20.6	168,001	0	252,002	84,001
415 - Delinquent Owners Late Fee	374.10	0.4	0	374	2,411.30	0.3	0	2,411	0	(2,411)
416 - Delinquent Owners Interest	82.62	0.1	0	83	623.77	0.1	0	624	0	(624)
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	4,500.00	0.6	0	4,500	0	(4,500)
Total Membership Income	97,696.72	97.3	96,990	707	785,696.82	96.1	775,921	9,776	1,163,882	378,185
Non-Membership Income										
430 - Interest Income	6.83	0.0	100	(93)	3,552.10	0.4	800	2,752	1,200	(2,352)
431 - Reserve Interest Income	28.83	0.0	800	(771)	12,054.15	1.5	6,400	5,654	9,600	(2,454)
440.80 - NJF Rental Income	2,700.00	2.7	2,500	200	15,950.00	2.0	20,000	(4,050)	30,000	14,050
441 - Kayak Rack Rental	0.00	0.0	108	(108)	45.00	0.0	867	(822)	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	2,735.66	2.7	3,508	(772)	31,756.25	3.9	28,067	3,689	42,100	10,344
Total Revenues	100,432.38	100.	100,498	(66)	817,453.07	100.	803,988	13,465	1,205,982	388,529
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	712.00	0.7	712	0	5,696.00	0.7	5,696	0	8,544	2,848
701.2 - NJF Unit - Rental Agent Fe	270.00	0.3	250	20	1,804.18	0.2	2,000	(196)	3,000	1,196
701.3 - NJF Repairs & Maint	0.00	0.0	133	(133)	801.05	0.1	1,067	(266)	1,600	799
701.4 - NJF GET Expense	108.00	0.1	89	19	721.67	0.1	708	14	1,062	340
Total NJF Unit Expenses	1,090.00	1.1	1,184	(94)	9,022.90	1.1	9,471	(448)	14,206	5,183
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	80.00	0.0	80	0	120	40
645 - Dues & Subscriptions *	264.00	0.3	167	97	1,648.63	0.2	1,336	313	2,004	355
710 - Meetings	0.00	0.0	275	(275)	1,716.74	0.2	2,200	(483)	3,300	1,583
715 - Office & Administration *	517.35	0.5	500	17	3,381.74	0.4	4,000	(618)	6,000	2,618
715.1 - Office/Admin - Site Office	107.90	0.1	200	(92)	961.85	0.1	1,600	(638)	2,400	1,438
720 - Operating Supplies	0.00	0.0	167	(167)	1,011.93	0.1	1,333	(321)	2,000	988
910 - Depreciation	310.00	0.3	310	0	2,480.00	0.3	2,480	0	3,720	1,240
Total Administration Exp	1,199.25	1.2	1,629	(430)	11,280.89	1.4	13,029	(1,748)	19,544	8,263
Employee Costs										
610 - Auto	54.88	0.1	83	(28)	492.80	0.1	667	(174)	1,000	507
648 - Education & Seminars	0.00	0.0	100	(100)	0.00	0.0	800	(800)	1,200	1,200
653 - Emp/Ben.-Medical	1,123.74	1.1	1,178	(54)	9,306.49	1.1	9,426	(120)	14,139	4,833
780 - Salaries & Wages	11,951.76	11.9	11,573	379	92,211.30	11.3	92,587	(376)	138,880	46,669
801 - P/R Ins. - TDI & WC	187.33	0.2	429	(242)	2,630.49	0.3	3,435	(805)	5,152	2,522
802 - Taxes - Payroll	1,066.13	1.1	1,161	(95)	9,853.09	1.2	9,288	565	13,932	4,079
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	133	(133)	200	200
Total Employee Costs	14,383.84	14.3	14,541	(157)	114,494.17	14.0	116,336	(1,842)	174,503	60,009

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 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)	284.00	0.0	333	(49)	500	216
678 - Ins. Business Interruption	106.50	0.1	113	(7)	844.00	0.1	904	(60)	1,356	512
679 - Ins. - Dir./Officers	489.42	0.5	317	172	2,970.00	0.4	2,536	434	3,804	834
680 - Ins. - Package	4,627.83	4.6	4,902	(274)	36,664.32	4.5	39,216	(2,552)	58,824	22,160
683 - Ins. - CGL	358.00	0.4	363	(5)	2,864.00	0.4	2,904	(40)	4,356	1,492
684 - Ins. - Umbrella	189.58	0.2	179	11	1,450.00	0.2	1,432	18	2,148	698
Total Insurance Expenses	5,806.83	5.8	5,916	(109)	45,076.32	5.5	47,325	(2,249)	70,988	25,912
Professional Services										
705 - Management Fee	3,276.00	3.3	3,276	0	26,208.00	3.2	26,208	0	39,312	13,104
731 - Prof.Svc.- Audit	0.00	0.0	374	(374)	53.10	0.0	2,992	(2,939)	4,488	4,435
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	5,815.93	0.7	3,333	2,483	5,000	(816)
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	659	(659)	988	988
Total Professional Exp	3,276.00	3.3	4,149	(873)	32,077.03	3.9	33,192	(1,115)	49,788	17,711
Repairs & Maint Expenses										
746 - R/M - Buildings *	1,436.25	1.4	833	603	9,487.30	1.2	6,667	2,820	10,000	513
750 - R/M - Equipment	5.06	0.0	250	(245)	1,049.42	0.1	2,000	(951)	3,000	1,951
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,967.12	0.2	1,600	367	2,400	433
753 - R/M - Landscape Upgrades *	930.50	0.9	125	806	1,069.15	0.1	1,000	69	1,500	431
754 - R/M - Grounds	0.00	0.0	167	(167)	86.66	0.0	1,333	(1,246)	2,000	1,913
755 - R/M - Grounds Contractor	21,160.00	21.1	21,160	0	169,280.00	20.7	169,280	0	253,920	84,640
756 - R/M - Irrigation *	2,779.51	2.8	800	1,980	5,979.10	0.7	6,400	(421)	9,600	3,621
760 - R/M - Pest Control	0.00	0.0	555	(555)	3,216.65	0.4	4,439	(1,222)	6,658	3,441
762 - R/M - Pool, Spa, BBQ *	3,321.77	3.3	2,144	1,178	15,893.79	1.9	17,150	(1,256)	25,725	9,831
764 - R/M - Refuse Collection	1,467.47	1.5	1,551	(84)	11,320.54	1.4	12,407	(1,086)	18,610	7,289
764.1 - R/M - Recycling	770.53	0.8	808	(37)	5,944.10	0.7	6,463	(519)	9,694	3,750
767 - R/M - Security Contract	973.17	1.0	1,000	(27)	8,264.86	1.0	8,000	265	12,000	3,735
Total Repairs & Maint Exp	32,844.26	32.7	29,593	3,251	233,558.69	28.6	236,739	(3,180)	355,107	121,548
Tax Expenses										
796 - Taxes - Gen. Excise	29.70	0.0	40	(10)	924.24	0.1	320	604	480	(444)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	8,000	(8,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	1,167	(1,167)	1,750	1,750
Total Tax Expenses	29.70	0.0	1,186	(1,156)	924.24	0.1	9,487	(8,563)	14,230	13,306
Utility Expense										
826 - Util. - Cable TV *	4,475.02	4.5	4,054	421	35,123.82	4.3	32,435	2,689	48,652	13,528
828 - Util. - Electric	1,474.68	1.5	1,583	(108)	15,153.22	1.9	12,667	2,486	19,000	3,847
830 - Util. - Gas	0.00	0.0	75	(75)	292.12	0.0	600	(308)	900	608
832 - Util. - Sewer *	5,486.50	5.5	4,945	542	39,209.10	4.8	39,560	(351)	59,340	20,131
834 - Util. - Telephone *	257.09	0.3	250	7	2,040.84	0.2	2,000	41	3,000	959
838 - Util. - Water *	14,218.45	14.2	11,200	3,018	85,168.54	10.4	89,600	(4,431)	134,400	49,231
Total Utility Expenses	25,911.74	25.8	22,107	3,805	176,987.64	21.7	176,862	126	265,292	88,304

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 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	20.9	21,000	0	168,001.44	20.6	168,001	0	252,002	84,001
916 - Reserves Interest	<u>28.83</u>	<u>0.0</u>	<u>800</u>	<u>(771)</u>	<u>12,054.15</u>	<u>1.5</u>	<u>6,400</u>	<u>5,654</u>	<u>9,600</u>	<u>(2,454)</u>
Total Reserve & Other Exp	<u>21,029.01</u>	<u>20.9</u>	<u>21,800</u>	<u>(771)</u>	<u>180,055.59</u>	<u>22.0</u>	<u>174,401</u>	<u>5,655</u>	<u>261,602</u>	<u>81,546</u>
Total Operating Expenses and										
Reserve Allocation	<u>105,570.63</u>	<u>105.</u>	<u>102,105</u>	<u>3,466</u>	<u>803,477.47</u>	<u>98.3</u>	<u>816,842</u>	<u>(13,365)</u>	<u>1,225,260</u>	<u>421,783</u>
Total Revenue Over Exp	<u>(5,138.25)</u>	<u>(5.1)</u>	<u>(1,607)</u>	<u>(3,531)</u>	<u>13,975.60</u>	<u>1.7</u>	<u>(12,854)</u>	<u>26,830</u>	<u>(19,278)</u>	<u>(33,254)</u>
Beginning Members' Equity					<u>285,309.31</u>					
Ending Members' Equity					<u>299,284.91</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 8 Months Ended August 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (5,138.25)	\$ 13,975.60
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,480.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(511.87)	(10,802.69)
Prepays	(3,313.84)	(42,541.81)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	2,725.57	(15,748.78)
Accrued Liabilities	<u>(17,582.09)</u>	<u>20,356.53</u>
Total Adjustments	<u>(18,372.23)</u>	<u>(46,256.75)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(23,510.48)</u>	<u>(32,281.15)</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

(23,510.48) (32,281.15)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

312,051.37 320,822.04

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 288,540.89 \$ 288,540.89