



**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 Nine Months Ended  
September 30, 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 September 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 Nine 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**  
**September 30, 2021 and 2020**

**Assets**

	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS</b>		
Ckg - CIT *****1241	\$ 51,405.08	\$ 107,807.50
Ckg - CIT Debit Card ****4202	2,715.26	1,745.89
MMkt - CIT Savings *****2119	26,626.34	26,586.43
CDAR - CIT Savings *****8249 3/17/22	<u>203,490.35</u>	<u>200,000.00</u>
<b>Subtotal - Cash</b>	<u>284,237.03</u>	<u>336,139.82</u>
<b>ACCOUNTS RECEIVABLES</b>		
A/R - Owners Balances	10,995.36	2,176.49
A/R - Prior & Collection	29,542.93	29,225.92
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>152.59</u>	<u>1,256.00</u>
<b>Subtotal - Accounts Receivable</b>	<u>18,967.62</u>	<u>10,935.15</u>
<b>OTHER CURRENT ASSETS</b>		
Prepaid Federal Income Tax	9,900.00	0.00
Prepaid State Income Tax	1,800.00	0.00
Unexpired Insurance	41,805.31	39,559.17
NJF Clearing Account	<u>103,441.03</u>	<u>88,909.99</u>
<b>Subtotal - Other Current Assets</b>	<u>156,946.34</u>	<u>128,469.16</u>
<b>TOTAL CURRENT ASSETS</b>	<u>460,150.99</u>	<u>475,544.13</u>
<b>CAPITAL RESERVE ACCOUNTS</b>		
CIT Bank	2,252,171.24	1,662,559.91
MOO - Wealth Management	<u>0.00</u>	<u>400,000.00</u>
<b>Subtotal - Capital Reserves</b>	<u>2,252,171.24</u>	<u>2,062,559.91</u>
<b>FIXED ASSETS</b>		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(23,560.00)</u>	<u>(19,840.00)</u>
<b>Subtotal - Fixed Assets</b>	<u>50,840.00</u>	<u>54,560.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,303,011.24</u>	<u>2,117,119.91</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,763,162.23</u>	<u>\$ 2,592,664.04</u>

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

**Liabilities and Fund Balances**

	<b>2021</b>	<b>2020</b>
<b>CURRENT LIABILITIES</b>		
A/P - Trade	\$ 43,315.93	\$ 27,174.16
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	0.00
Owner Prepayments	40,330.49	41,343.54
A/P - NJF Units	103,441.03	88,909.99
A/P - Insurance	23,823.00	17,624.00
Accrued General Excise Tx	<u>495.83</u>	<u>729.23</u>
<b>Subtotal - Current Liabilities</b>	<u>220,480.84</u>	<u>184,646.19</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>220,480.84</u>	<u>184,646.19</u>
<b>TOTAL LIABILITIES</b>	<u>220,480.84</u>	<u>184,646.19</u>
 <b>MEMBERS' EQUITY</b>		
Unrestricted Members' Equity	290,510.15	345,457.94
Restricted Members' Equity	<u>2,252,171.24</u>	<u>2,062,559.91</u>
<b>Subtotal Members' Equity</b>	<u>2,542,681.39</u>	<u>2,408,017.85</u>
<b>TOTAL MEMBERS' EQUITY</b>	<u>2,542,681.39</u>	<u>2,408,017.85</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u><u>\$ 2,763,162.23</u></u>	<u><u>\$ 2,592,664.04</u></u>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 9 Months Ended September 30, 2021**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Revenues</b>										
<b>Membership Income</b>										
405 - Maintenance Fees	75,989.82	74.5	75,990	(0)	683,908.38	74.4	683,910	(2)	911,880	227,972
406 - Capital Reserve	21,000.18	20.6	21,000	0	189,001.62	20.6	189,002	(0)	252,002	63,000
415 - Delinquent Owners Late Fee	(106.50)	(0.1)	0	(107)	2,304.80	0.3	0	2,305	0	(2,305)
416 - Delinquent Owners Interest	56.25	0.1	0	56	680.02	0.1	0	680	0	(680)
420 - Tenant Information Form	0.00	0.0	0	0	150.00	0.0	0	150	0	(150)
425 - House Rule Violations	500.00	0.5	0	500	5,000.00	0.5	0	5,000	0	(5,000)
<b>Total Membership Income</b>	<b>97,439.75</b>	<b>95.5</b>	<b>96,990</b>	<b>450</b>	<b>881,044.82</b>	<b>95.8</b>	<b>872,912</b>	<b>8,133</b>	<b>1,163,882</b>	<b>282,837</b>
<b>Non-Membership Income</b>										
430 - Interest Income	6.13	0.0	100	(94)	3,558.23	0.4	900	2,658	1,200	(2,358)
431 - Reserve Interest Income	879.15	0.9	800	79	12,933.30	1.4	7,200	5,733	9,600	(3,333)
440.80 - NJF Rental Income	2,700.00	2.6	2,500	200	20,741.75	2.3	22,500	(1,758)	30,000	9,258
441 - Kayak Rack Rental	960.00	0.9	108	852	1,005.00	0.1	975	30	1,300	295
499 - Other Income	40.00	0.0	0	40	195.00	0.0	0	195	0	(195)
<b>Total Non-Membership Income</b>	<b>4,585.28</b>	<b>4.5</b>	<b>3,508</b>	<b>1,077</b>	<b>38,433.28</b>	<b>4.2</b>	<b>31,575</b>	<b>6,858</b>	<b>42,100</b>	<b>3,667</b>
<b>Total Revenues</b>	<b>102,025.03</b>	<b>100.</b>	<b>100,498</b>	<b>1,527</b>	<b>919,478.10</b>	<b>100.</b>	<b>904,487</b>	<b>14,991</b>	<b>1,205,982</b>	<b>286,504</b>
<b>Operating Expenses</b>										
<b>NJF Unit Expenses</b>										
701.1 - NJF Unit Maint Fees	712.00	0.7	712	0	6,408.00	0.7	6,408	0	8,544	2,136
701.2 - NJF Unit - Rental Agent Fe	270.00	0.3	250	20	2,074.18	0.2	2,250	(176)	3,000	926
701.3 - NJF Repairs & Maint	156.73	0.2	133	24	957.78	0.1	1,200	(242)	1,600	642
701.4 - NJF GET Expense	108.00	0.1	89	19	829.67	0.1	797	33	1,062	232
<b>Total NJF Unit Expenses</b>	<b>1,246.73</b>	<b>1.2</b>	<b>1,184</b>	<b>63</b>	<b>10,269.63</b>	<b>1.1</b>	<b>10,655</b>	<b>(385)</b>	<b>14,206</b>	<b>3,936</b>
<b>Adminstration Expenses</b>										
625 - Bank Charges/Merchant	30.00	0.0	10	20	110.00	0.0	90	20	120	10
645 - Dues & Subscriptions	0.00	0.0	167	(167)	1,648.63	0.2	1,503	146	2,004	355
710 - Meetings *	744.79	0.7	275	470	2,461.53	0.3	2,475	(13)	3,300	838
715 - Office & Administration	436.90	0.4	500	(63)	3,818.64	0.4	4,500	(681)	6,000	2,181
715.1 - Office/Admin - Site Office	143.33	0.1	200	(57)	1,105.18	0.1	1,800	(695)	2,400	1,295
720 - Operating Supplies	0.00	0.0	167	(167)	1,011.93	0.1	1,500	(488)	2,000	988
910 - Depreciation	310.00	0.3	310	0	2,790.00	0.3	2,790	0	3,720	930
<b>Total Administration Exp</b>	<b>1,665.02</b>	<b>1.6</b>	<b>1,629</b>	<b>36</b>	<b>12,945.91</b>	<b>1.4</b>	<b>14,658</b>	<b>(1,712)</b>	<b>19,544</b>	<b>6,598</b>
<b>Employee Costs</b>										
610 - Auto *	227.36	0.2	83	144	720.16	0.1	750	(30)	1,000	280
648 - Education & Seminars	0.00	0.0	100	(100)	0.00	0.0	900	(900)	1,200	1,200
651 - Emp/Ben.-Bonuses	500.00	0.5	0	500	500.00	0.1	0	500	0	(500)
653 - Emp/Ben.-Medical *	1,406.34	1.4	1,178	228	10,712.83	1.2	10,604	109	14,139	3,426
780 - Salaries & Wages	11,750.04	11.5	11,573	177	103,961.34	11.3	104,160	(199)	138,880	34,919
801 - P/R Ins. - TDI & WC *	490.08	0.5	429	61	3,120.57	0.3	3,864	(743)	5,152	2,031
802 - Taxes - Payroll	1,099.11	1.1	1,161	(62)	10,952.20	1.2	10,449	503	13,932	2,980
812 - Uniforms *	27.06	0.0	17	10	27.06	0.0	150	(123)	200	173
<b>Total Employee Costs</b>	<b>15,499.99</b>	<b>15.2</b>	<b>14,541</b>	<b>959</b>	<b>129,994.16</b>	<b>14.1</b>	<b>130,877</b>	<b>(883)</b>	<b>174,503</b>	<b>44,509</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 9 Months Ended September 30, 2021**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Insurance Expense</b>										
677 - Ins. - Bond	35.50	0.0	42	(7)	319.50	0.0	375	(56)	500	181
678 - Ins. Business Interruption	106.50	0.1	113	(7)	950.50	0.1	1,017	(67)	1,356	406
679 - Ins. - Dir./Officers	489.42	0.5	317	172	3,459.42	0.4	2,853	606	3,804	345
680 - Ins. - Package	4,627.83	4.5	4,902	(274)	41,292.15	4.5	44,118	(2,826)	58,824	17,532
683 - Ins. - CGL	358.00	0.4	363	(5)	3,222.00	0.4	3,267	(45)	4,356	1,134
684 - Ins. - Umbrella	<u>189.58</u>	<u>0.2</u>	<u>179</u>	<u>11</u>	<u>1,639.58</u>	<u>0.2</u>	<u>1,611</u>	<u>29</u>	<u>2,148</u>	<u>508</u>
<b>Total Insurance Expenses</b>	<b>5,806.83</b>	<b>5.7</b>	<b>5,916</b>	<b>(109)</b>	<b>50,883.15</b>	<b>5.5</b>	<b>53,241</b>	<b>(2,358)</b>	<b>70,988</b>	<b>20,105</b>
<b>Professional Services</b>										
705 - Management Fee	3,276.00	3.2	3,276	0	29,484.00	3.2	29,484	0	39,312	9,828
731 - Prof.Svc.- Audit	0.00	0.0	374	(374)	53.10	0.0	3,366	(3,313)	4,488	4,435
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	5,815.93	0.6	3,750	2,066	5,000	(816)
734 - Prof.Svc.- Y/E Acctng.	<u>0.00</u>	<u>0.0</u>	<u>82</u>	<u>(82)</u>	<u>0.00</u>	<u>0.0</u>	<u>741</u>	<u>(741)</u>	<u>988</u>	<u>988</u>
<b>Total Professional Exp</b>	<b>3,276.00</b>	<b>3.2</b>	<b>4,149</b>	<b>(873)</b>	<b>35,353.03</b>	<b>3.8</b>	<b>37,341</b>	<b>(1,988)</b>	<b>49,788</b>	<b>14,435</b>
<b>Repairs &amp; Maint Expenses</b>										
746 - R/M - Buildings *	7,752.48	7.6	833	6,919	17,239.78	1.9	7,500	9,740	10,000	(7,240)
750 - R/M - Equipment *	920.44	0.9	250	670	1,969.86	0.2	2,250	(280)	3,000	1,030
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,967.12	0.2	1,800	167	2,400	433
753 - R/M - Landscape Upgrades	229.17	0.2	125	104	1,298.32	0.1	1,125	173	1,500	202
* 754 - R/M - Grounds	67.70	0.1	167	(99)	154.36	0.0	1,500	(1,346)	2,000	1,846
755 - R/M - Grounds Contractor	21,160.00	20.7	21,160	0	190,440.00	20.7	190,440	0	253,920	63,480
756 - R/M - Irrigation *	992.55	1.0	800	193	6,971.65	0.8	7,200	(228)	9,600	2,628
760 - R/M - Pest Control	0.00	0.0	555	(555)	3,216.65	0.3	4,993	(1,776)	6,658	3,441
762 - R/M - Pool, Spa, BBQ *	2,949.32	2.9	2,144	805	18,843.11	2.0	19,294	(451)	25,725	6,882
764 - R/M - Refuse Collection	1,475.47	1.4	1,551	(76)	12,796.01	1.4	13,957	(1,161)	18,610	5,814
764.1 - R/M - Recycling	770.53	0.8	808	(37)	6,714.63	0.7	7,270	(555)	9,694	2,979
767 - R/M - Security Contract *	<u>1,041.67</u>	<u>1.0</u>	<u>1,000</u>	<u>42</u>	<u>9,306.53</u>	<u>1.0</u>	<u>9,000</u>	<u>307</u>	<u>12,000</u>	<u>2,693</u>
<b>Total Repairs &amp; Maint Exp</b>	<b>37,359.33</b>	<b>36.6</b>	<b>29,593</b>	<b>7,766</b>	<b>270,918.02</b>	<b>29.5</b>	<b>266,329</b>	<b>4,589</b>	<b>355,107</b>	<b>84,189</b>
<b>Tax Expenses</b>										
796 - Taxes - Gen. Excise	93.40	0.1	40	53	1,017.64	0.1	360	658	480	(538)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	9,000	(9,000)	12,000	12,000
945 - State Income Taxes	<u>0.00</u>	<u>0.0</u>	<u>146</u>	<u>(146)</u>	<u>0.00</u>	<u>0.0</u>	<u>1,312</u>	<u>(1,312)</u>	<u>1,750</u>	<u>1,750</u>
<b>Total Tax Expenses</b>	<b>93.40</b>	<b>0.1</b>	<b>1,186</b>	<b>(1,093)</b>	<b>1,017.64</b>	<b>0.1</b>	<b>10,672</b>	<b>(9,654)</b>	<b>14,230</b>	<b>13,212</b>
<b>Utility Expense</b>										
826 - Util. - Cable TV *	4,475.02	4.4	4,054	421	39,598.84	4.3	36,489	3,110	48,652	9,053
828 - Util. - Electric	1,586.10	1.6	1,583	3	16,739.32	1.8	14,250	2,489	19,000	2,261
830 - Util. - Gas	0.00	0.0	75	(75)	292.12	0.0	675	(383)	900	608
832 - Util. - Sewer *	5,248.00	5.1	4,945	303	44,457.10	4.8	44,505	(48)	59,340	14,883
834 - Util. - Telephone	241.54	0.2	250	(8)	2,282.38	0.2	2,250	32	3,000	718
838 - Util. - Water *	<u>12,422.50</u>	<u>12.2</u>	<u>11,200</u>	<u>1,223</u>	<u>97,591.04</u>	<u>10.6</u>	<u>100,800</u>	<u>(3,209)</u>	<u>134,400</u>	<u>36,809</u>
<b>Total Utility Expenses</b>	<b>23,973.16</b>	<b>23.5</b>	<b>22,107</b>	<b>1,866</b>	<b>200,960.80</b>	<b>21.9</b>	<b>198,969</b>	<b>1,992</b>	<b>265,292</b>	<b>64,331</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 9 Months Ended September 30, 2021**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Reserves &amp; Other Exp</b>										
915 - Capital Reserves	21,000.18	20.6	21,000	0	189,001.62	20.6	189,002	(0)	252,002	63,000
916 - Reserves Interest	<u>879.15</u>	<u>0.9</u>	<u>800</u>	<u>79</u>	<u>12,933.30</u>	<u>1.4</u>	<u>7,200</u>	<u>5,733</u>	<u>9,600</u>	<u>(3,333)</u>
<b>Total Reserve &amp; Other Exp</b>	<u>21,879.33</u>	<u>21.4</u>	<u>21,800</u>	<u>79</u>	<u>201,934.92</u>	<u>22.0</u>	<u>196,202</u>	<u>5,733</u>	<u>261,602</u>	<u>59,667</u>
<b>Total Operating Expenses and</b>										
<b>Reserve Allocation</b>	<u>110,799.79</u>	<u>108.</u>	<u>102,105</u>	<u>8,695</u>	<u>914,277.26</u>	<u>99.4</u>	<u>918,944</u>	<u>(4,667)</u>	<u>1,225,260</u>	<u>310,983</u>
<b>Total Revenue Over Exp</b>	<u>(8,774.76)</u>	<u>(8.6)</u>	<u>(1,607)</u>	<u>(7,168)</u>	<u>5,200.84</u>	<u>0.6</u>	<u>(14,457)</u>	<u>19,658</u>	<u>(19,278)</u>	<u>(24,479)</u>
<b>Beginning Members' Equity</b>					<u>285,309.31</u>					
<b>Ending Members' Equity</b>					<u>290,510.15</u>					

**Wailea Fairway Villas Association**  
**Statement of Cash Flows - Tax Basis**  
**For the 1 Month and 9 Months Ended September 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (Loss)	\$ (8,774.76)	\$ 5,200.84
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,790.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(27.82)	(10,830.51)
Prepays	742.89	(41,798.92)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	17,806.52	2,057.74
Accrued Liabilities	(14,360.69)	5,995.84
Total Adjustments	<u>4,470.90</u>	<u>(41,785.85)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>(4,303.86)</u>	<u>(36,585.01)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net Cash Provided By (Used In) Financing Activities	<u>0.00</u>	<u>0.00</u>
---	-------------	-------------

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

(4,303.86) (36,585.01)

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

288,540.89 320,822.04

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

\$ 284,237.03 \$ 284,237.03