



**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 Ten Months Ended

October 31, 2021

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

**Assets**

	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS</b>		
Ckg - CIT *****1241	\$ 34,987.68	\$ 89,256.11
Ckg - CIT Debit Card ****4202	2,541.70	2,665.56
MMkt - CIT Savings *****2119	26,629.73	26,589.82
CDAR - CIT Savings *****8249 3/17/22	<u>203,490.35</u>	<u>200,000.00</u>
<b>Subtotal - Cash</b>	<u>267,649.46</u>	<u>318,511.49</u>
<b>ACCOUNTS RECEIVABLES</b>		
A/R - Owners Balances	11,275.12	2,767.28
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>58.64</u>	<u>336.42</u>
<b>Subtotal - Accounts Receivable</b>	<u>19,153.43</u>	<u>10,606.36</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	35,709.15	33,766.09
NJF Clearing Account	<u>102,729.03</u>	<u>90,134.49</u>
<b>Subtotal - Other Current Assets</b>	<u>150,138.18</u>	<u>123,900.58</u>
<b>TOTAL CURRENT ASSETS</b>	<u>436,941.07</u>	<u>453,018.43</u>
<b>CAPITAL RESERVE ACCOUNTS</b>		
CIT Bank	2,268,894.65	1,672,826.13
MOO - Wealth Management	<u>0.00</u>	<u>400,000.00</u>
<b>Subtotal - Capital Reserves</b>	<u>2,268,894.65</u>	<u>2,072,826.13</u>
<b>FIXED ASSETS</b>		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(23,870.00)</u>	<u>(20,150.00)</u>
<b>Subtotal - Fixed Assets</b>	<u>50,530.00</u>	<u>54,250.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,319,424.65</u>	<u>2,127,076.13</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,756,365.72</u>	<u>\$ 2,580,094.56</u>

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

**Liabilities and Fund Balances**

	<b>2021</b>	<b>2020</b>
<b>CURRENT LIABILITIES</b>		
A/P - Trade	\$ 28,355.51	\$ 17,545.21
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	0.00
Owner Prepayments	39,893.14	41,047.04
A/P - NJF Units	102,729.03	90,134.49
A/P - Insurance	14,849.00	13,218.00
Accrued General Excise Tx	<u>74.09</u>	<u>134.19</u>
<b>Subtotal - Current Liabilities</b>	<u>194,975.33</u>	<u>170,944.20</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>194,975.33</u>	<u>170,944.20</u>
<b>TOTAL LIABILITIES</b>	<u>194,975.33</u>	<u>170,944.20</u>
 <b>MEMBERS' EQUITY</b>		
Unrestricted Members' Equity	292,495.74	336,324.23
Restricted Members' Equity	<u>2,268,894.65</u>	<u>2,072,826.13</u>
<b>Subtotal Members' Equity</b>	<u>2,561,390.39</u>	<u>2,409,150.36</u>
<b>TOTAL MEMBERS' EQUITY</b>	<u>2,561,390.39</u>	<u>2,409,150.36</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u><u>\$ 2,756,365.72</u></u>	<u><u>\$ 2,580,094.56</u></u>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 10 Months Ended October 31, 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	76.2	75,990	(0)	759,898.20	74.6	759,900	(2)	911,880	151,982
406 - Capital Reserve	21,000.18	21.1	21,000	0	210,001.80	20.6	210,002	(0)	252,002	42,000
415 - Delinquent Owners Late Fee	39.40	0.0	0	39	2,344.20	0.2	0	2,344	0	(2,344)
416 - Delinquent Owners Interest	68.23	0.1	0	68	748.25	0.1	0	748	0	(748)
420 - Tenant Information Form	150.00	0.2	0	150	300.00	0.0	0	300	0	(300)
425 - House Rule Violations	100.00	0.1	0	100	5,100.00	0.5	0	5,100	0	(5,100)
<b>Total Membership Income</b>	<u>97,347.63</u>	<u>97.6</u>	<u>96,990</u>	<u>358</u>	<u>978,392.45</u>	<u>96.0</u>	<u>969,902</u>	<u>8,490</u>	<u>1,163,882</u>	<u>185,490</u>
<b>Non-Membership Income</b>										
430 - Interest Income	6.54	0.0	100	(93)	3,564.77	0.3	1,000	2,565	1,200	(2,365)
431 - Reserve Interest Income	1,678.40	1.7	800	878	14,611.70	1.4	8,000	6,612	9,600	(5,012)
440.80 - NJF Rental Income	720.00	0.7	2,500	(1,780)	21,461.75	2.1	25,000	(3,538)	30,000	8,538
441 - Kayak Rack Rental	0.00	0.0	108	(108)	1,005.00	0.1	1,083	(78)	1,300	295
499 - Other Income	0.00	0.0	0	0	195.00	0.0	0	195	0	(195)
<b>Total Non-Membership Income</b>	<u>2,404.94</u>	<u>2.4</u>	<u>3,508</u>	<u>(1,103)</u>	<u>40,838.22</u>	<u>4.0</u>	<u>35,083</u>	<u>5,755</u>	<u>42,100</u>	<u>1,262</u>
<b>Total Revenues</b>	<u>99,752.57</u>	<u>100.</u>	<u>100,498</u>	<u>(745)</u>	<u>1,019,230.67</u>	<u>100.</u>	<u>1,004,985</u>	<u>14,246</u>	<u>1,205,982</u>	<u>186,751</u>
<b>Operating Expenses</b>										
<b>NJF Unit Expenses</b>										
701.1 - NJF Unit Maint Fees	712.00	0.7	712	0	7,120.00	0.7	7,120	0	8,544	1,424
701.2 - NJF Unit - Rental Agent Fe	27.00	0.0	250	(223)	2,101.18	0.2	2,500	(399)	3,000	899
701.3 - NJF Repairs & Maint	0.00	0.0	133	(133)	957.78	0.1	1,333	(375)	1,600	642
701.4 - NJF GET Expense	28.80	0.0	89	(60)	858.47	0.1	885	(27)	1,062	204
<b>Total NJF Unit Expenses</b>	<u>767.80</u>	<u>0.8</u>	<u>1,184</u>	<u>(416)</u>	<u>11,037.43</u>	<u>1.1</u>	<u>11,838</u>	<u>(801)</u>	<u>14,206</u>	<u>3,169</u>
<b>Administration Expenses</b>										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	110.00	0.0	100	10	120	10
645 - Dues & Subscriptions	150.00	0.2	167	(17)	1,798.63	0.2	1,670	129	2,004	205
710 - Meetings	156.15	0.2	275	(119)	2,617.68	0.3	2,750	(132)	3,300	682
715 - Office & Administration	240.37	0.2	500	(260)	4,059.01	0.4	5,000	(941)	6,000	1,941
715.1 - Office/Admin - Site Office *	221.81	0.2	200	22	1,326.99	0.1	2,000	(673)	2,400	1,073
720 - Operating Supplies	0.00	0.0	167	(167)	1,011.93	0.1	1,667	(655)	2,000	988
910 - Depreciation	310.00	0.3	310	0	3,100.00	0.3	3,100	0	3,720	620
<b>Total Administration Exp</b>	<u>1,078.33</u>	<u>1.1</u>	<u>1,629</u>	<u>(551)</u>	<u>14,024.24</u>	<u>1.4</u>	<u>16,287</u>	<u>(2,263)</u>	<u>19,544</u>	<u>5,520</u>
<b>Employee Costs</b>										
610 - Auto *	210.56	0.2	83	128	930.72	0.1	833	98	1,000	69
648 - Education & Seminars	0.00	0.0	100	(100)	0.00	0.0	1,000	(1,000)	1,200	1,200
651 - Emp/Ben.-Bonuses	0.00	0.0	0	0	500.00	0.0	0	500	0	(500)
653 - Emp/Ben.-Medical	1,123.74	1.1	1,178	(54)	11,836.57	1.2	11,783	54	14,139	2,302
780 - Salaries & Wages	11,769.96	11.8	11,573	197	115,731.30	11.4	115,733	(2)	138,880	23,149
801 - P/R Ins. - TDI & WC	289.33	0.3	429	(140)	3,409.90	0.3	4,293	(883)	5,152	1,742
802 - Taxes - Payroll	1,046.01	1.0	1,161	(115)	11,998.21	1.2	11,610	388	13,932	1,934
812 - Uniforms	0.00	0.0	17	(17)	27.06	0.0	167	(140)	200	173
<b>Total Employee Costs</b>	<u>14,439.60</u>	<u>14.5</u>	<u>14,541</u>	<u>(101)</u>	<u>144,433.76</u>	<u>14.2</u>	<u>145,419</u>	<u>(985)</u>	<u>174,503</u>	<u>30,069</u>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 10 Months Ended October 31, 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)	355.00	0.0	417	(62)	500	145
678 - Ins. Business Interruption	106.50	0.1	113	(7)	1,057.00	0.1	1,130	(73)	1,356	299
679 - Ins. - Dir./Officers	489.42	0.5	317	172	3,948.84	0.4	3,170	779	3,804	(145)
680 - Ins. - Package	4,627.83	4.6	4,902	(274)	45,919.98	4.5	49,020	(3,100)	58,824	12,904
683 - Ins. - CGL	358.00	0.4	363	(5)	3,580.00	0.4	3,630	(50)	4,356	776
684 - Ins. - Umbrella	<u>189.58</u>	<u>0.2</u>	<u>179</u>	<u>11</u>	<u>1,829.16</u>	<u>0.2</u>	<u>1,790</u>	<u>39</u>	<u>2,148</u>	<u>319</u>
<b>Total Insurance Expenses</b>	<b>5,806.83</b>	<b>5.8</b>	<b>5,916</b>	<b>(109)</b>	<b>56,689.98</b>	<b>5.6</b>	<b>59,157</b>	<b>(2,467)</b>	<b>70,988</b>	<b>14,298</b>
<b>Professional Services</b>										
705 - Management Fee	3,276.00	3.3	3,276	0	32,760.00	3.2	32,760	0	39,312	6,552
731 - Prof.Svc.- Audit	0.00	0.0	374	(374)	53.10	0.0	3,740	(3,687)	4,488	4,435
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	5,815.93	0.6	4,167	1,649	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>823</u>	<u>(823)</u>	<u>988</u>	<u>988</u>
<b>Total Professional Exp</b>	<b>3,276.00</b>	<b>3.3</b>	<b>4,149</b>	<b>(873)</b>	<b>38,629.03</b>	<b>3.8</b>	<b>41,490</b>	<b>(2,861)</b>	<b>49,788</b>	<b>11,159</b>
<b>Repairs &amp; Maint Expenses</b>										
746 - R/M - Buildings *	(2,295.10)	(2.3)	833	(3,128)	14,944.68	1.5	8,333	6,612	10,000	(4,945)
750 - R/M - Equipment	55.89	0.1	250	(194)	2,025.75	0.2	2,500	(474)	3,000	974
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,967.12	0.2	2,000	(33)	2,400	433
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	1,298.32	0.1	1,250	48	1,500	202
754 - R/M - Grounds *	366.33	0.4	167	199	520.69	0.1	1,667	(1,146)	2,000	1,479
755 - R/M - Grounds Contractor	21,160.00	21.2	21,160	0	211,600.00	20.8	211,600	0	253,920	42,320
756 - R/M - Irrigation	0.00	0.0	800	(800)	6,971.65	0.7	8,000	(1,028)	9,600	2,628
760 - R/M - Pest Control *	1,597.91	1.6	555	1,043	4,814.56	0.5	5,548	(733)	6,658	1,843
762 - R/M - Pool, Spa, BBQ	2,031.86	2.0	2,144	(112)	20,874.97	2.0	21,438	(563)	25,725	4,850
764 - R/M - Refuse Collection	1,467.47	1.5	1,551	(84)	14,263.48	1.4	15,508	(1,245)	18,610	4,347
764.1 - R/M - Recycling	770.53	0.8	808	(37)	7,485.16	0.7	8,078	(593)	9,694	2,209
767 - R/M - Security Contract *	<u>1,041.67</u>	<u>1.0</u>	<u>1,000</u>	<u>42</u>	<u>10,348.20</u>	<u>1.0</u>	<u>10,000</u>	<u>348</u>	<u>12,000</u>	<u>1,652</u>
<b>Total Repairs &amp; Maint Exp</b>	<b>26,196.56</b>	<b>26.3</b>	<b>29,593</b>	<b>(3,396)</b>	<b>297,114.58</b>	<b>29.2</b>	<b>295,922</b>	<b>1,193</b>	<b>355,107</b>	<b>57,992</b>
<b>Tax Expenses</b>										
796 - Taxes - Gen. Excise	81.70	0.1	40	42	1,099.34	0.1	400	699	480	(619)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	10,000	(10,000)	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>1,458</u>	<u>(1,458)</u>	<u>1,750</u>	<u>1,750</u>
<b>Total Tax Expenses</b>	<b>81.70</b>	<b>0.1</b>	<b>1,186</b>	<b>(1,104)</b>	<b>1,099.34</b>	<b>0.1</b>	<b>11,858</b>	<b>(10,759)</b>	<b>14,230</b>	<b>13,131</b>
<b>Utility Expense</b>										
826 - Util. - Cable TV *	4,475.02	4.5	4,054	421	44,073.86	4.3	40,543	3,531	48,652	4,578
828 - Util. - Electric	1,550.32	1.6	1,583	(33)	18,289.64	1.8	15,833	2,457	19,000	710
830 - Util. - Gas	59.66	0.1	75	(15)	351.78	0.0	750	(398)	900	548
832 - Util. - Sewer *	5,266.00	5.3	4,945	321	49,723.10	4.9	49,450	273	59,340	9,617
834 - Util. - Telephone *	253.08	0.3	250	3	2,535.46	0.2	2,500	35	3,000	465
838 - Util. - Water *	<u>11,837.50</u>	<u>11.9</u>	<u>11,200</u>	<u>638</u>	<u>109,428.54</u>	<u>10.7</u>	<u>112,000</u>	<u>(2,571)</u>	<u>134,400</u>	<u>24,971</u>
<b>Total Utility Expenses</b>	<b>23,441.58</b>	<b>23.5</b>	<b>22,107</b>	<b>1,335</b>	<b>224,402.38</b>	<b>22.0</b>	<b>221,076</b>	<b>3,326</b>	<b>265,292</b>	<b>40,890</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 10 Months Ended October 31, 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	21.1	21,000	0	210,001.80	20.6	210,002	(0)	252,002	42,000
916 - Reserves Interest	<u>1,678.40</u>	<u>1.7</u>	<u>800</u>	<u>878</u>	<u>14,611.70</u>	<u>1.4</u>	<u>8,000</u>	<u>6,612</u>	<u>9,600</u>	<u>(5,012)</u>
<b>Total Reserve &amp; Other Exp</b>	<u>22,678.58</u>	<u>22.7</u>	<u>21,800</u>	<u>879</u>	<u>224,613.50</u>	<u>22.0</u>	<u>218,002</u>	<u>6,612</u>	<u>261,602</u>	<u>36,989</u>
<b>Total Operating Expenses and</b>										
<b>Reserve Allocation</b>	<u>97,766.98</u>	<u>98.0</u>	<u>102,105</u>	<u>(4,338)</u>	<u>1,012,044.24</u>	<u>99.3</u>	<u>1,021,049</u>	<u>(9,005)</u>	<u>1,225,260</u>	<u>213,216</u>
<b>Total Revenue Over Exp</b>	<u>1,985.59</u>	<u>2.0</u>	<u>(1,607)</u>	<u>3,593</u>	<u>7,186.43</u>	<u>0.7</u>	<u>(16,064)</u>	<u>23,250</u>	<u>(19,278)</u>	<u>(26,464)</u>
<b>Beginning Members' Equity</b>					<u>285,309.31</u>					
<b>Ending Members' Equity</b>					<u>292,495.74</u>					

**Wailea Fairway Villas Association**  
**Statement of Cash Flows - Tax Basis**  
**For the 1 Month and 10 Months Ended October 31, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (Loss)	\$ 1,985.59	\$ 7,186.43
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	3,100.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(185.81)	(11,016.32)
Prepays	6,808.16	(34,990.76)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(14,960.42)	(12,902.68)
Accrued Liabilities	(10,545.09)	(4,549.25)
Total Adjustments	<u>(18,573.16)</u>	<u>(60,359.01)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>(16,587.57)</u>	<u>(53,172.58)</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**

(16,587.57) (53,172.58)

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

284,237.03 320,822.04

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

\$ 267,649.46 \$ 267,649.46