



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 Twelve Months Ended
December 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 December 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 Twelve 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
December 31, 2021 and 2020**

Assets

	2021	2020
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 66,885.79	\$ 91,410.77
Ckg - CIT Debit Card *****4202	2,448.44	2,814.78
MMkt - CIT Savings *****2119	26,636.40	26,596.49
CDAR - CIT Savings *****8249 3/17/22	<u>203,490.35</u>	<u>200,000.00</u>
Subtotal - Cash	<u>299,460.98</u>	<u>320,822.04</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,185.45	605.29
A/R - Prior & Collection	29,636.68	29,255.08
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>172.80</u>	<u>0.00</u>
Subtotal - Accounts Receivable	<u>10,271.67</u>	<u>8,137.11</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	13,200.00	0.00
Prepaid State Income Tax	2,400.00	0.00
Unexpired Insurance	23,516.83	22,179.93
NJF Clearing Account	<u>101,969.23</u>	<u>92,967.49</u>
Subtotal - Other Current Assets	<u>141,086.06</u>	<u>115,147.42</u>
TOTAL CURRENT ASSETS	<u>450,818.71</u>	<u>444,106.57</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	<u>2,301,668.29</u>	<u>2,118,756.26</u>
Subtotal - Capital Reserves	<u>2,301,668.29</u>	<u>2,118,756.26</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(24,490.00)</u>	<u>(20,770.00)</u>
Subtotal - Fixed Assets	<u>49,910.00</u>	<u>53,630.00</u>
TOTAL OTHER ASSETS	<u>2,351,578.29</u>	<u>2,172,386.26</u>
TOTAL ASSETS	<u><u>\$ 2,802,397.00</u></u>	<u><u>\$ 2,616,492.83</u></u>

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

Liabilities and Fund Balances

	2021	2020
CURRENT LIABILITIES		
A/P - Trade	\$ 41,159.39	\$ 41,258.19
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	0.00
Owner Prepayments	61,979.95	49,289.51
A/P - NJF Units	101,969.23	92,967.49
A/P - Insurance	10,362.00	4,406.00
Accrued General Excise Tx	297.60	598.80
Accrued Federal Income Tax	0.00	12,892.00
Accrued State Income Tax	<u>0.00</u>	<u>2,150.00</u>
Subtotal - Current Liabilities	<u>224,842.73</u>	<u>212,427.26</u>
TOTAL CURRENT LIABILITIES	<u>224,842.73</u>	<u>212,427.26</u>
TOTAL LIABILITIES	<u>224,842.73</u>	<u>212,427.26</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	275,885.98	285,309.31
Restricted Members' Equity	<u>2,301,668.29</u>	<u>2,118,756.26</u>
Subtotal Members' Equity	<u>2,577,554.27</u>	<u>2,404,065.57</u>
TOTAL MEMBERS' EQUITY	<u>2,577,554.27</u>	<u>2,404,065.57</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u><u>\$ 2,802,397.00</u></u>	 <u><u>\$ 2,616,492.83</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 12 Months Ended December 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	76.6	75,990	(0)	911,877.84	74.9	911,880	(2)	911,880	2
406 - Capital Reserve	21,000.18	21.2	21,000	0	252,002.16	20.7	252,002	0	252,002	(0)
415 - Delinquent Owners Late Fee	217.12	0.2	0	217	2,600.72	0.2	0	2,601	0	(2,601)
416 - Delinquent Owners Interest	21.62	0.0	0	22	771.64	0.1	0	772	0	(772)
420 - Tenant Information Form	0.00	0.0	0	0	300.00	0.0	0	300	0	(300)
425 - House Rule Violations	<u>1,000.00</u>	<u>1.0</u>	<u>0</u>	<u>1,000</u>	<u>7,600.00</u>	<u>0.6</u>	<u>0</u>	<u>7,600</u>	<u>0</u>	<u>(7,600)</u>
Total Membership Income	98,228.74	99.0	96,990	1,239	1,175,152.36	96.5	1,163,882	11,270	1,163,882	(11,270)
Non-Membership Income										
430 - Interest Income	7.03	0.0	100	(93)	3,578.19	0.3	1,200	2,378	1,200	(2,378)
431 - Reserve Interest Income	985.61	1.0	800	186	16,465.41	1.4	9,600	6,865	9,600	(6,865)
440.80 - NJF Rental Income	0.00	0.0	2,500	(2,500)	21,461.75	1.8	30,000	(8,538)	30,000	8,538
441 - Kayak Rack Rental	0.00	0.0	108	(108)	1,005.00	0.1	1,300	(295)	1,300	295
499 - Other Income	<u>0.00</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>225.00</u>	<u>0.0</u>	<u>0</u>	<u>225</u>	<u>0</u>	<u>(225)</u>
Total Non-Membership Income	992.64	1.0	3,508	(2,515)	42,735.35	3.5	42,100	635	42,100	(635)
Total Revenues	<u>99,221.38</u>	100.	<u>100,498</u>	<u>(1,277)</u>	<u>1,217,887.71</u>	100.	<u>1,205,982</u>	<u>11,906</u>	<u>1,205,982</u>	<u>(11,906)</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	712.00	0.7	712	0	8,544.00	0.7	8,544	0	8,544	0
701.2 - NJF Unit - Rental Agent Fe	0.00	0.0	250	(250)	2,101.18	0.2	3,000	(899)	3,000	899
701.3 - NJF Repairs & Maint	0.00	0.0	133	(133)	957.78	0.1	1,600	(642)	1,600	642
701.4 - NJF GET Expense	<u>0.00</u>	<u>0.0</u>	<u>89</u>	<u>(89)</u>	<u>858.47</u>	<u>0.1</u>	<u>1,062</u>	<u>(204)</u>	<u>1,062</u>	<u>204</u>
Total NJF Unit Expenses	712.00	0.7	1,184	(472)	12,461.43	1.0	14,206	(1,745)	14,206	1,745
Adminstration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	110.00	0.0	120	(10)	120	10
645 - Dues & Subscriptions	0.00	0.0	167	(167)	1,798.63	0.1	2,004	(205)	2,004	205
710 - Meetings	0.00	0.0	275	(275)	2,871.58	0.2	3,300	(428)	3,300	428
715 - Office & Administration	443.12	0.4	500	(57)	5,241.83	0.4	6,000	(758)	6,000	758
715.1 - Office/Admin - Site Office	959.35	1.0	1,500	(541)	2,488.41	0.2	18,000	(15,512)	18,000	15,512
715.2 - Office & Admin -	556.19	0.6	50	506	556.19	0.0	600	(44)	600	44
720 - Operating Supplies	0.00	0.0	167	(167)	1,011.93	0.1	2,000	(988)	2,000	988
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>3,720.00</u>	<u>0.3</u>	<u>3,720</u>	<u>0</u>	<u>3,720</u>	<u>0</u>
Total Administration Exp	2,268.66	2.3	2,979	(710)	17,798.57	1.5	35,744	(17,945)	35,744	17,945
Employee Costs										
610 - Auto *	176.96	0.2	83	94	1,107.68	0.1	1,000	108	1,000	(108)
648 - Education & Seminars *	869.00	0.9	100	769	869.00	0.1	1,200	(331)	1,200	331
651 - Emp/Ben.-Bonuses	0.00	0.0	0	0	500.00	0.0	0	500	0	(500)
653 - Emp/Ben.-Medical *	1,307.30	1.3	1,178	129	14,309.87	1.2	14,139	171	14,139	(171)
780 - Salaries & Wages	11,726.00	11.8	11,573	153	139,385.30	11.4	138,880	505	138,880	(505)
801 - P/R Ins. - TDI & WC *	488.34	0.5	429	59	4,187.57	0.3	5,152	(964)	5,152	964
802 - Taxes - Payroll	956.41	1.0	1,161	(205)	14,018.11	1.2	13,932	86	13,932	(86)
812 - Uniforms	<u>0.00</u>	<u>0.0</u>	<u>17</u>	<u>(17)</u>	<u>27.06</u>	<u>0.0</u>	<u>200</u>	<u>(173)</u>	<u>200</u>	<u>173</u>
Total Employee Costs	15,524.01	15.6	14,541	983	174,404.59	14.3	174,503	(98)	174,503	98

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 12 Months Ended December 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)	426.00	0.0	500	(74)	500	74
678 - Ins. Business Interruption	106.50	0.1	113	(7)	1,270.00	0.1	1,356	(86)	1,356	86
679 - Ins. - Dir./Officers	489.42	0.5	317	172	4,927.68	0.4	3,804	1,124	3,804	(1,124)
680 - Ins. - Package	4,627.83	4.7	4,902	(274)	55,175.64	4.5	58,824	(3,648)	58,824	3,648
683 - Ins. - CGL	358.00	0.4	363	(5)	4,296.00	0.4	4,356	(60)	4,356	60
684 - Ins. - Umbrella	189.58	0.2	179	11	2,208.32	0.2	2,148	60	2,148	(60)
Total Insurance Expenses	5,806.83	5.9	5,916	(109)	68,303.64	5.6	70,988	(2,684)	70,988	2,684
Professional Services										
705 - Management Fee	3,276.00	3.3	3,276	0	39,312.00	3.2	39,312	0	39,312	0
731 - Prof.Svc.- Audit *	4,488.00	4.5	374	4,114	4,541.10	0.4	4,488	53	4,488	(53)
732 - Prof.Svc.- Legal *	1,187.43	1.2	417	770	7,112.73	0.6	5,000	2,113	5,000	(2,113)
734 - Prof.Svc.- Y/E Acctng. *	988.00	1.0	82	906	988.00	0.1	988	0	988	0
Total Professional Exp	9,939.43	10.0	4,149	5,790	51,953.83	4.3	49,788	2,166	49,788	(2,166)
Repairs & Maint Expenses										
746 - R/M - Buildings *	1,663.83	1.7	833	831	17,843.07	1.5	10,000	7,843	10,000	(7,843)
750 - R/M - Equipment *	287.95	0.3	250	38	2,313.70	0.2	3,000	(686)	3,000	686
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	2,326.49	0.2	2,400	(74)	2,400	74
753 - R/M - Landscape Upgrades	31.25	0.0	125	(94)	1,329.57	0.1	1,500	(170)	1,500	170
754 - R/M - Grounds *	1,497.45	1.5	167	1,330	2,320.03	0.2	2,000	320	2,000	(320)
755 - R/M - Grounds Contractor	21,160.00	21.3	21,160	0	253,920.00	20.8	253,920	0	253,920	0
756 - R/M - Irrigation *	877.44	0.9	800	77	8,576.89	0.7	9,600	(1,023)	9,600	1,023
760 - R/M - Pest Control *	1,597.91	1.6	555	1,043	6,412.47	0.5	6,658	(246)	6,658	246
762 - R/M - Pool, Spa, BBQ *	4,633.85	4.7	2,144	2,490	28,578.04	2.3	25,725	2,853	25,725	(2,853)
764 - R/M - Refuse Collection	1,467.47	1.5	1,551	(84)	17,198.42	1.4	18,610	(1,412)	18,610	1,412
764.1 - R/M - Recycling	770.53	0.8	808	(37)	9,026.22	0.7	9,694	(668)	9,694	668
767 - R/M - Security Contract *	1,041.67	1.0	1,000	42	12,431.54	1.0	12,000	432	12,000	(432)
Total Repairs & Maint Exp	35,029.35	35.3	29,593	5,436	362,276.44	29.7	355,107	7,169	355,107	(7,169)
Tax Expenses										
796 - Taxes - Gen. Excise	125.68	0.1	40	86	1,322.85	0.1	480	843	480	(843)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	12,000	(12,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	1,750	(1,750)	1,750	1,750
Total Tax Expenses	125.68	0.1	1,186	(1,060)	1,322.85	0.1	14,230	(12,907)	14,230	12,907
Utility Expense										
826 - Util. - Cable TV *	4,475.02	4.5	4,054	421	53,023.90	4.4	48,652	4,372	48,652	(4,372)
828 - Util. - Electric *	2,587.27	2.6	1,583	1,004	22,658.48	1.9	19,000	3,658	19,000	(3,658)
830 - Util. - Gas *	112.22	0.1	75	37	510.87	0.0	900	(389)	900	389
832 - Util. - Sewer *	5,491.00	5.5	4,945	546	60,772.60	5.0	59,340	1,433	59,340	(1,433)
834 - Util. - Telephone *	488.04	0.5	250	238	3,265.48	0.3	3,000	265	3,000	(265)
838 - Util. - Water	7,666.45	7.7	11,200	(3,534)	130,090.79	10.7	134,400	(4,309)	134,400	4,309
Total Utility Expenses	20,820.00	21.0	22,107	(1,287)	270,322.12	22.2	265,292	5,030	265,292	(5,030)

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 12 Months Ended December 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	21.2	21,000	0	252,002.16	20.7	252,002	0	252,002	(0)
916 - Reserves Interest	<u>985.61</u>	<u>1.0</u>	<u>800</u>	<u>186</u>	<u>16,465.41</u>	<u>1.4</u>	<u>9,600</u>	<u>6,865</u>	<u>9,600</u>	<u>(6,865)</u>
Total Reserve & Other Exp	<u>21,985.79</u>	<u>22.2</u>	<u>21,800</u>	<u>186</u>	<u>268,467.57</u>	<u>22.0</u>	<u>261,602</u>	<u>6,866</u>	<u>261,602</u>	<u>(6,866)</u>
Total Operating Expenses and Reserve Allocation	<u>112,211.75</u>	<u>113.</u>	<u>102,105</u>	<u>10,107</u>	<u>1,227,311.04</u>	<u>100.</u>	<u>1,225,260</u>	<u>2,051</u>	<u>1,225,260</u>	<u>(2,051)</u>
Total Revenue Over Exp	<u>(12,990.37)</u>	<u>(13.1)</u>	<u>(1,607)</u>	<u>(11,383)</u>	<u>(9,423.33)</u>	<u>(0.8)</u>	<u>(19,278)</u>	<u>9,855</u>	<u>(19,278)</u>	<u>(9,855)</u>
Beginning Members' Equity					<u>285,309.31</u>					
Ending Members' Equity					<u>275,885.98</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 12 Months Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (12,990.37)	\$ (9,423.33)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	3,720.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(2,194.47)	(2,134.56)
Prepays	2,908.16	(25,938.64)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	11,489.11	(98.80)
Accrued Liabilities	20,205.49	12,514.27
Total Adjustments	<u>32,718.29</u>	<u>(11,937.73)</u>
Net Cash Provided By (Used in) Operating Activities	<u>19,727.92</u>	<u>(21,361.06)</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

19,727.92 (21,361.06)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

279,733.06 320,822.04

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 299,460.98 \$ 299,460.98